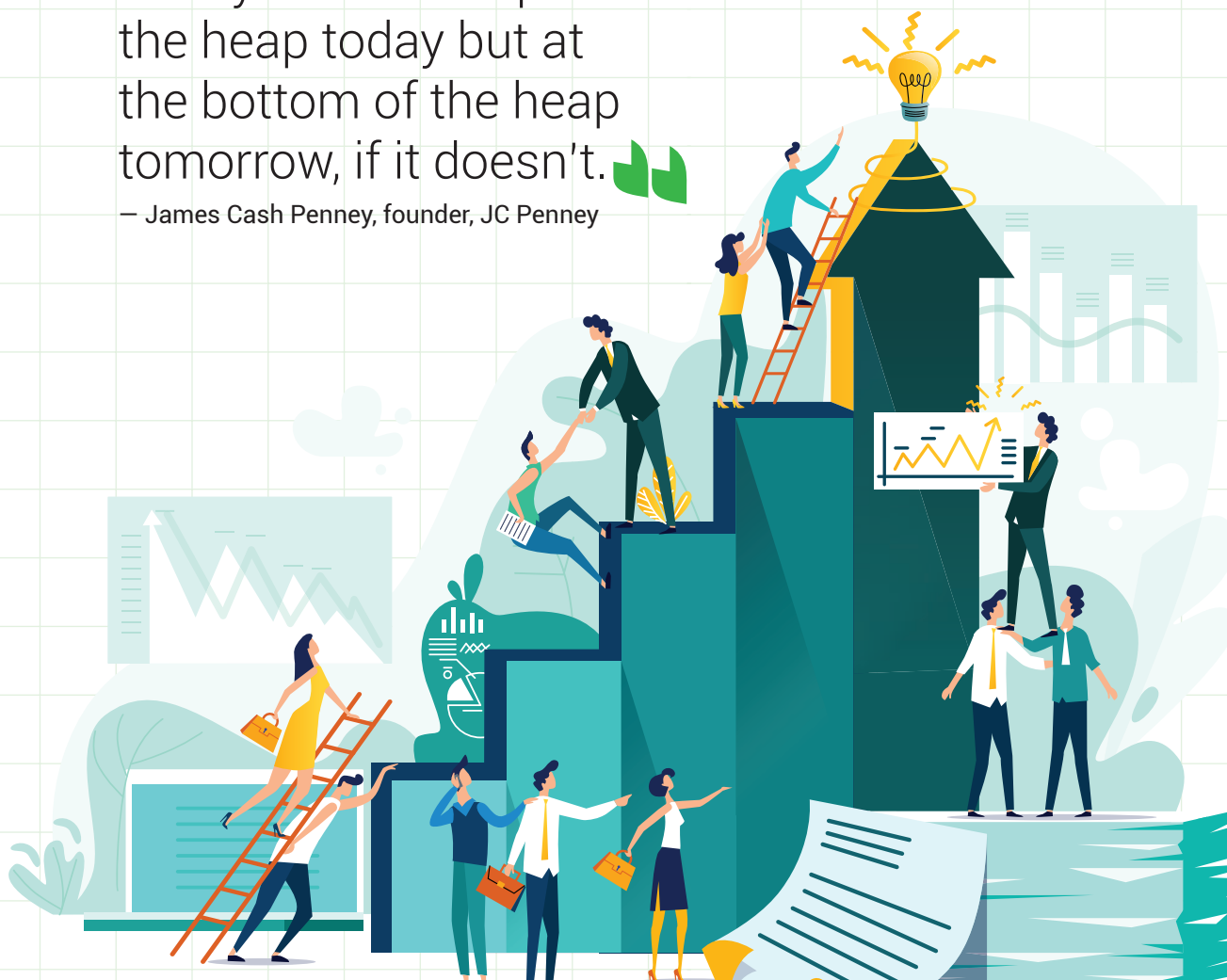




No company can afford
not to move forward.
It may be at the top of
the heap today but at
the bottom of the heap
tomorrow, if it doesn't.

— James Cash Penney, founder, JC Penney



Across the Pages

CORPORATE OVERVIEW 1-16

▶ Balaji Amines at a Glance	02
▶ Our Journey and Milestones	05
▶ Chairman's Message	06
▶ Our Robust Financial Performance	08
▶ Our Competitive Strengths	09
▶ Our Expansion Strategies	10
▶ Environment, Social and Governance (ESG)	12
▶ Awards & Accolades	16

STATUTORY REPORTS 17-93

▶ Notice	17
▶ Director's Report	37
▶ Annexures to Director's Report	43
▶ Management Discussion & Analysis	59
▶ Business Responsibility Report	66
▶ Report on Corporate Governance	74

FINANCIAL STATEMENTS 95-150

Standalone Financial Statements

▶ Independent Auditor's report	95
▶ Balance Sheet	102
▶ Statement of Profit & Loss	103
▶ Statement of Cashflow	104
▶ Notes to Financial Statement	105

Consolidated Financial Statements

▶ Independent Auditor's Report	126
▶ Balance Sheet	132
▶ Statement of Profit & Loss	133
▶ Statement of Cashflow	134
▶ Notes to Financial Statement	135



INVESTOR INFORMATION

Market Capitalisation as at 31st March, 2021	₹ 5,700.31 Cr.
CIN	L24132MH1988PLC049387
BSE Code	530999
NSE Symbol	BALAMINES
Bloomberg Code	BLA:IN
Dividend Declared	₹ 4/- per share
AGM Date	9th August, 2021
AGM Venue/Mode	Digital/VC

Please find our online version at:

<http://www.balajiamines.com/investor-relations>

Or simply scan to download



Disclaimer:

This document contains statements about expected future events and financials of Balaji Amines Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.



No company can afford not to move forward. It may be at the top of the heap today but at the bottom of the heap tomorrow, if it doesn't.



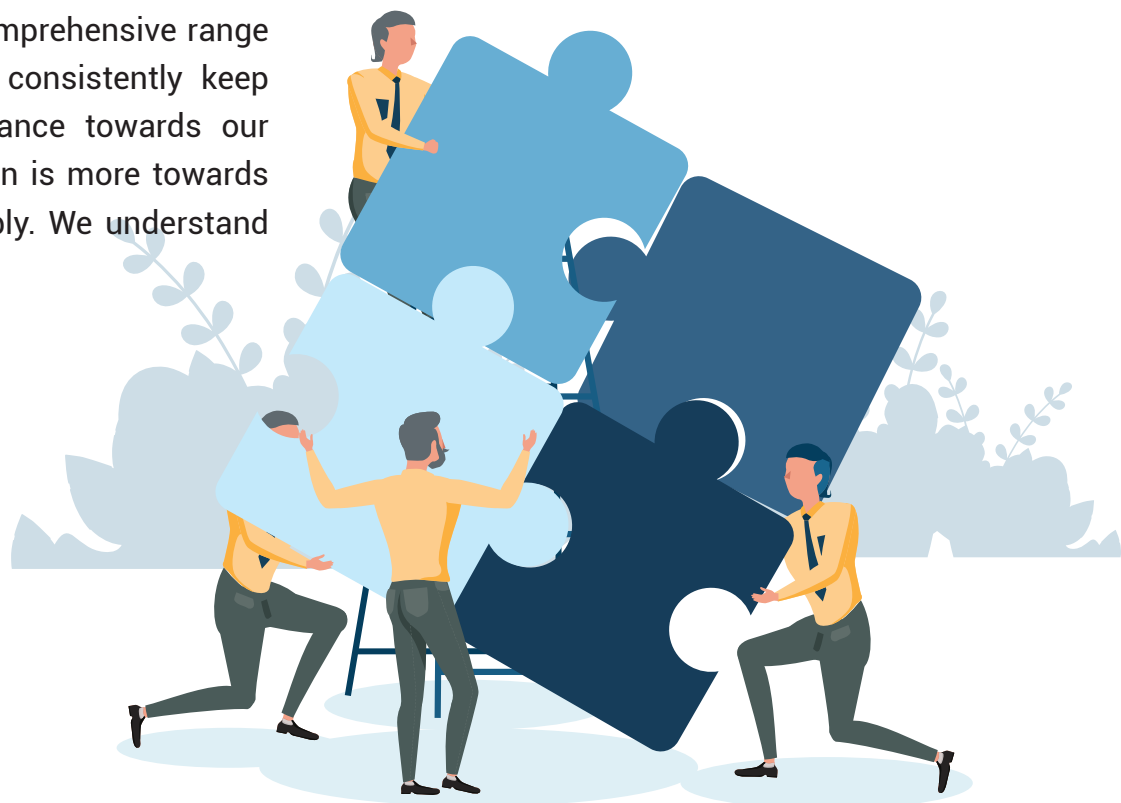
— James Cash Penney, founder, JC Penney

How do you ensure success in business?

Success in business happens when you are determined never to remain where you are today. When you are constantly moving forward towards new milestones with improved motivation and dedication, you achieve growth and move closer to the summit each day.

At Balaji Amines Limited, we strive to keep getting better continually. We are devoted to finding our newer versions, while we enhance our capabilities and offerings. Our focus is on providing our potential and existing customers with better reach and a comprehensive range of products that we consistently keep evolving. As we advance towards our goal, our concentration is more towards progressing sustainably. We understand

that the inability to move forward consistently may lead to stagnancy and land at the bottom. Thus, making the right movement is vital for development and success. And so, our growth strategy targets reaching the pinnacle. So, when on one hand we are warranting that our growth strategies reach the pinnacle, on the other hand, we feel it is essential to remain rooted to the existing ground. Thus, we are evolving with robust risk management strategies that will give us immunity against contingencies.



Balaji Amines at a Glance

Story of leading towards the better

Balaji Amines Limited ('We' or 'The Company' or 'BAL') was established in 1988 to provide for the growing need for value-based specialty chemicals. The Company commenced business in the Amines space and has undergone vast transformation since then to be one of the leading manufacturers of Aliphatic Amines & Specialty chemicals in India today. Over the years, the Company has worked consistently to offer 25+ products in Amines, Specialty chemicals and Derivatives. In line with the growth strategy, the Company has been gradually working to launch new technology-based and cost-effective products with import substitutes. Thereby capturing market share in India.

Apprehending the growing demand for Amines and Specialty chemicals, the Company is also gradually expanding its manufacturing units. It is focusing on enhancing its product range to grow its market presence further. The Company strives to consistently move forward towards growth and development while underpinning its foundation with stability and adaptability.

Industries we serve



Pharmaceuticals



Agrochemicals



Paints & Resins



Animal Feeds



Oil & Gas



Rubber Cleaning Chemicals



Water Treatment Chemicals



Dye and Textiles



Mission/Vision

- ▶ Maintaining our integrity in the market and excelling in all the sectors by providing quality products to our customers
- ▶ Focus towards high-value derivatives and specialty chemicals with an aim to move up the valuechain with vertical integration
- ▶ Develop new indigenous technology for manufacturing products leading to lowering in manufacturing costs and improving of return ratios



Values

- ▶ Innovating new production techniques to amplify our services, maintaining our integrity in the market and excelling in all the sectors we set our foot in is our core set of values. We abide by them and aim to continue our legacy with the same
- ▶ One of our topmost priorities is to provide safety and top-notch care to our employees and develop a healthy work culture for all of them

5

State-of-the-art manufacturing facilities

1

Hotel division

25+

Products offered across segments

50+

Countries where products are exported

1,000+

Dedicated employees

2,01,000

MTPA

Total installed capacity

Largest

Producer of Aliphatic Amines & Chemicals

Our diverse product portfolio

A promise of consistently growing through diversity



We are driven by the passion to continuously learn something new. Backed by an exceptional technological prowess, we became the only company to develop indigenous technology to manufacture Amines and allied products that cater for the needs of the Indian and global pharma, agro chemical industry. As we progress, in our endeavour customer-centricity forms the crux of everything we do. Hence, we emphasise on R&D and endeavour to continuously invest in new process development to deliver existing products efficiently. Over the years, we have expanded our product offerings to include a diverse range of Amines, Derivatives and Specialty Chemicals.




Balaji Amines Limited is the only producer in India for the below products

- ▶ Morpholine
- ▶ Dimethylformamide (DMF)
- ▶ N-Ethyl-2-Pyrrolidone (NEP)
- ▶ N-Methyl-Pyrrolidone (NMP)
- ▶ Pharmapure Povidone (PVP K30 & PVP K25)
- ▶ 2-Pyrrolidone (2-P)
- ▶ Gamma Butyrolactone (GBL)

Balaji Amines Limited is the largest producer in India for the below products

- ▶ Methylamines
- ▶ Ethylamines
- ▶ Di-Methyl Acetamide (DMAC)
- ▶ Di-Methyl Amine Hydrochloride (DMA HCL)

Our Portfolio Comprises:

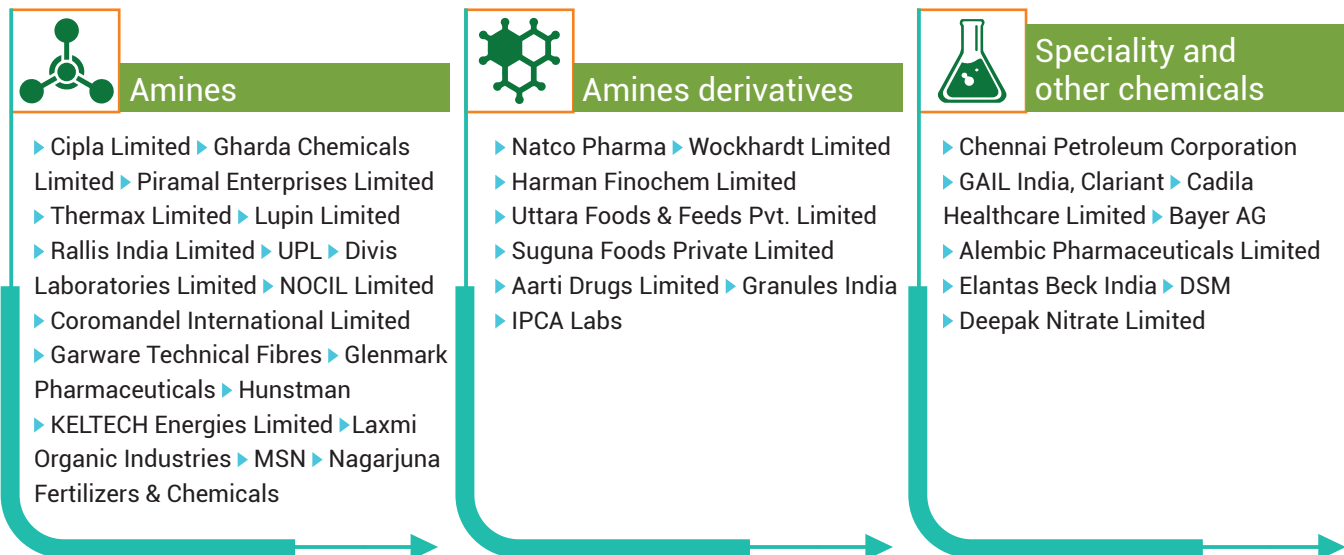
 Amines	 Derivatives	 Speciality chemicals
<ul style="list-style-type: none"> ▶ Mono Methyl Amine (MMA) ▶ Di-Methyl Amine (DMA) ▶ Tri-Methyl Amine (TMA) ▶ Mono-Ethyl Amine (MEA) ▶ Di-Ethyl Amine (DEA) ▶ Tri-Ethyl Amine (TEA) ▶ Di-Methyl Amino Ethanol (DMAE) ▶ Di-Ethyl Amino Ethanol (DEAE) 	<ul style="list-style-type: none"> ▶ Mono-Methyl Amine Hydrochloride (MMA HCL) ▶ Di-Methyl Amine Hydrochloride (DMA HCL) ▶ Tri-Methyl Amine Hydrochloride (TMA HCL) ▶ Mono-Ethyl Amine Hydrochloride (MEA HCL) ▶ Di-Ethyl Amine Hydrochloride (DEA HCL) ▶ Tri-Ethyl Amine Hydrochloride (TEA HCL) ▶ Di-Methyl Acetamide (DMAC) ▶ Di-Methyl Urea (DMU) ▶ Choline Chloride 60% Corn Cob (Corn Cob) ▶ Choline Chloride 75% (Aqueous Solution) ▶ Choline Chloride 98% Powder (Powder) 	<ul style="list-style-type: none"> ▶ Morpholine ▶ Acetonitrile (ACN) ▶ Dimethylformamide (DMF) ▶ N-Ethyl-2-Pyrrolidone (NEP) ▶ 2-Pyrrolidone (2-P) ▶ Gamma Butyrolactone (GBL) ▶ N-Methyl-Pyrrolidone (NMP) ▶ Pharmapure Povidone (PVP K30 & PVP K25)

Our growing customer base

Testimony to persistent extension

BAL believes in growing consistently. Our focus is on widening our reach to cater to an increasing number of customers across boundaries. Today, our vast customer base comprises 180 companies spread across India while we export to 50 countries worldwide.

Clientele



Our broadening footprints

Growing our global presence

We have adopted a diversified growth strategy. Over the years, we have actively worked on our geographic expansion to gain access to new markets, which is evidently reflected in our presence in over 50 countries today. During the last financial year, around 15% of the total revenue generated, which came to ₹ 185.44 Cr. was through exports.



The Company exports its products to the following countries:

▶ UK ▶ USA ▶ Argentina ▶ Canada ▶ Israel ▶ Pakistan ▶ Bangladesh ▶ Oman ▶ Germany ▶ Italy ▶ Egypt ▶ South Africa ▶ Korea ▶ Taiwan ▶ Spain ▶ France ▶ Belgium ▶ The Netherlands ▶ Norway ▶ Poland ▶ Ukraine ▶ Mexico ▶ Brazil ▶ Australia ▶ China ▶ Japan ▶ Turkey ▶ Finland ▶ Indonesia ▶ Switzerland ▶ Sri Lanka ▶ Russia ▶ Malaysia ▶ Singapore ▶ Bahrein ▶ Jordan ▶ Guatemala ▶ Columbia ▶ Costa Rica ▶ Thailand ▶ Morocco ▶ Peru ▶ Venezuela ▶ Philippines ▶ Saudi Arabia ▶ Vietnam ▶ Ireland

Our Journey and Milestones

Adapting to the changing times and needs



2019

- ▶ Set up a new plant under our subsidiary Balaji Specialty Chemicals Private Limited. The project was completed in a record 12 months and has also received Environment Clearance for Greenfield Project
- ▶ Environment Clearness received for Balaji Amines unit IV Greenfield Project

2021

- Commenced operation in Greenfield Project at Unit-IV

2015

- Awarded another 'Certificate of Excellence' for Balaji Sarovar Premium from the 'Trip Advisor', based on customer review for excellent food, service and hospitality

2016

- BAL has set-up a plant to manufacture Acetonitrile

2018

- Allotment of 90 acres land in MIDC, Chincholi with Mega Project Status

2012

- Received 'Certificate of Suitability' from the European Director for the quality Medicine and Healthcare (EDQM)

2013

- ▶ Inaugurated the five-star hotel 'Balaji Sarovar Premiere' in October 2013
- ▶ Manufacturing of DMF Plant commissioned

2014

- Awarded for Balaji Sarovar Premium's 'Eco-friendly Green Technology'

2006

- ▶ Founded Balaji Foundation and Research Center for rural population as a part of CSR activity
- ▶ Became the sole manufacturer of GBL, NMP, and Morpholine

2009

- Bagged the 'Certificate of Merit' for Outstanding Export by chemexcil

2010

- Installed wind turbine for generating in-house electricity in-house to start focusing on renewable energy

2001

- Certified with ISO:9001

2003

- Increased capacity of Methyl Amines

2005

- Developed more specialty chemicals

1992

- Developed R&D center at Hyderabad

1995

- Started manufacturing drug intermediate –DiMethyl Amine Hydrochloride

2000

- Added derivatives of Methyl and Ethyl Amines to the product portfolio

1988

- Commenced business

1989

- Started manufacturing Methyl Amines and Ethyl Amines in the following year

Chairman's Message



Dear Shareholders,

Before beginning my annual address, I would like to convey my deepest sympathies to everyone impacted by the outbreak of the Covid-19 pandemic. During this time of great stress and uncertainty, I sincerely pray for everyone's good health and safety.

CY 2020 brought about a significant global challenge. Apart from the immediate and severe health concerns, the pandemic's impact has been much broader on lives and economies worldwide. Many economies slipped into a technical recession – the largest since the Great Depression of CY 1929. Spontaneous and imperative restrictions like lockdowns, suspension of cross-border trade, production and travel were imposed across many countries. The year was further marked by several other marquee events like the ongoing US-Sino trade conflict, volatile crude oil prices, and higher commodity prices.

India was among the first few countries to impose one of the strictest and prolonged lockdowns to curb the virus from spreading. Today, as I write this communique, we are engulfed in the second wave of Covid-19. The total number of infected cases today are significantly higher than they were during the first wave last year. Back then, the strict measures undertaken for necessitating social distancing and safety, severely curtailed economic activities. It eventually led to the economy's contraction by 23.9% in the Q1 of 2020-21. The Government announced various

“ We persistently kept strengthening our capabilities while creating value for our stakeholders. Even amid a tough and challenging year, we retained our leadership position as the largest amines and speciality chemicals manufacturers.”

stimulus packages to mitigate an economic fallout. These packages, in the form of fiscal and monetary policies, aimed at providing relief. The highlights of these economic measures were '₹ 20 Lakh Crore' package, released under the Aatmanirbhar Bharat campaign, aimed to make India self-reliant and support all walks of society in general.

With the phased unlocking, there was a visible uptick in economic activities. This easing of restrictions, gradual resumption of business, coupled with the fiscal stimulus package, led to some recovery. As a result, the economy's contraction narrowed to 7.5% in the Q2 of 2020-21. There was an evident drop in the number of Covid-19 cases and slowly, we started seeing a rise in pent-up demand. These developments made India, the world's second economy to post a positive GDP in the Q3 of 2020-21.

Let me share how we coped with the Covid-19 situation and our team's resilient actions leading to sustainable performance Quarter on Quarter.

End-user Industry

The pharma segment is one of the major consumers of amines and speciality chemicals. The outbreak of the pandemic swelled up the demand for pharmaceutical APIs, thus leading to an increase in the demand for amines and speciality chemicals. Additionally, agrochemical manufacturers also witnessed a rise in demand. Despite the supply chain disruptions and labour migration issues, there

was an uptick in the manufacturing activities, resulting in robust pent-up demand from the end-users.

Safety First

With all the issues swamping the economy, our prerogative was to safeguard our employees, their families, along with our other stakeholders. We firmly believe in employees being at the heart of any organisation. With this core ethos, we undertook several workplace measures to safeguard our team, which included:

- ▶ Adherence to various lockdown and safety mandates and guidelines issued by the Central and State Government and other local bodies from time to time
- ▶ Usage of technology to facilitate remote work for our employees, thereby assuring their safety by lowering their chances of getting impacted
- ▶ Maintenance of all social-distancing norms, encouraging wearing of masks and use of sanitisers and following all the safety protocols
- ▶ Maintaining quarantine facilities at units
- ▶ Providing medicines and preventive steps at our facilities
- ▶ Taking care of hospitalisation and medial support through doctors consultation

Stellar Performance

Despite a difficult year for the economy, we managed to clock better financial metrics. We attribute these results to the resilience of our business model and the tremendous hard work of our employees. They are the people who have helped us wither this crisis and drive through swiftly on an excellent performance. Despite challenging conditions, we managed higher revenues, EBITDA levels and even better margins during the year. We accredit this improvement to better operating leverage of all our plants and increase in volume offtake, coupled with higher price realisations.

Let me share some of the highlights of our financial performance during the year 2020-21:

- ▶ Revenue from operations stood at ₹ 1,227.78 Cr. in 2020-21 against ₹ 919.05 Cr. in the previous year – indicating a growth of 33.59%
- ▶ EBITDA for 2020-21 stood at ₹ 338.65 Cr., registering a growth of 78.21% over the previous year
- ▶ Net Profit was recorded at ₹ 231.71 Cr. in 2020-21, witnessing an increase of 103.71% over the previous year
- ▶ Return on Capital Employed (ROCE) was clocked at 28.88%, compared to 18.81% in the previous year – an increase of 1,007 bps

Our subsidiary company, Balaji Speciality Chemicals Private Limited (BSCPL), also witnessed a robust financial performance. This was on account of higher demand from various end-user industries, and we are looking forward to better utilisation of plant capacity in the years to come.

Expansion Plans

About 75% of our revenues are generated from the pharma and agrochemical industries. With the commencement

of operations at our new state-of-the-art plant of Ethylamines with an installed capacity of 16,500 tons per annum (part of Phase 1 of our 90-acre Greenfield Project (Unit IV) at Solapur), the Company now has the largest installed capacity of Ethylamines in India at 22,500 tons per annum.

The de-bottlenecking of our Acetonitrile plant got delayed due to lack of skilled manpower because of the pandemic-led restrictions. However, the construction of our new plant for Di-methyl Carbonate (DMC) in Phase I of Greenfield Project (Unit IV), is progressing as envisaged. We are expecting to commence production of DMC by the end of 2021-22. We have undertaken a total capex of ₹ 156 Cr. in Phase I of our Greenfield Project upto March 2021. Further ₹ 160 Cr. will be used for capex during the Financial Year towards DMC, Methylamines in Unit IV & Captive Power Plant in Unit III.

Looking at the growing demands, we further intend to setup a new plant with an installed capacity of 40,000 TPA for Methylamines under Phase-II of the Greenfield Project at Unit-IV.

Outlook

CY 2021 looks strong from the overall growth perspective. Massive inoculation drives and various government initiatives are vitally continuing to hold the economy steady. These positive developments have led many world-renowned agencies and forums to anticipate a V-Shaped recovery for India, along with higher growth in CY 2021. However, we need to move ahead with cautious optimism owing to the second wave of Covid-19. The subsequent curbs by the various state governments may dampen prospects by further impacting the recovery.

Conclusion

On a concluding note, I would like to mention that the passion and dedication of our team members amid such tense times has helped us progress despite adversities. I extend my heartfelt gratitude to each member of Balaji Amines Ltd. As we move ahead, I assure you that we will continue pursuing our growth trajectory while focusing on the investments in R&D, capability and capacity enhancements. We will continue providing newer and better solutions and higher quality products to our customers persistently. I also take this opportunity to thank all our stakeholders. Their continued trust drives us to focus on creating value for them while delivering what we promised.

We provided the best support and hospital treatment to those members who were infected with Covid-19. But, unfortunately, two members of our staff lost their lives to Covid-19. We pray for their departed souls and extend our wholehearted condolences to their families. Amid these challenging times, we pray for you all to stay safe and healthy. Take care!

Regards,

A. Prathap Reddy
Executive Chairman

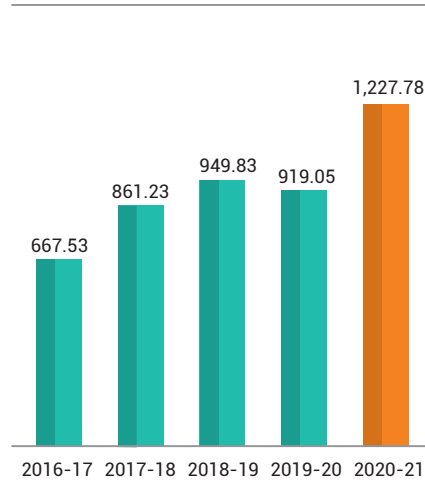
Our Robust Financial Performance

Reflection of continued progress

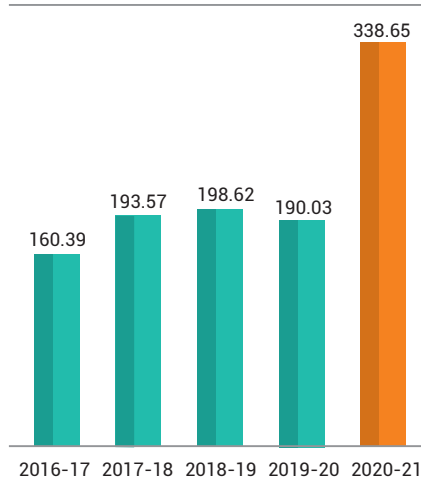
Despite the pandemic, the Company's financial performance was exceptional which is a reflection of our continued progress. The standalone Amines business revenue grew by 33.59% YoY and stood at ₹ 1,227.78 Cr. as on 31st March, 2021. EBITDA posted a record-high margins of 27.31%, while the EPS jumped from ₹ 35.11 to ₹ 71.52 in 2020-21, as compared to the previous year. The growing demand for the Company's products, in the wake of Covid-19, and sustained growth of the Indian pharmaceutical industry on account of 'China Plus One' business strategy adopted by western countries can be attributed to such a stellar performance.



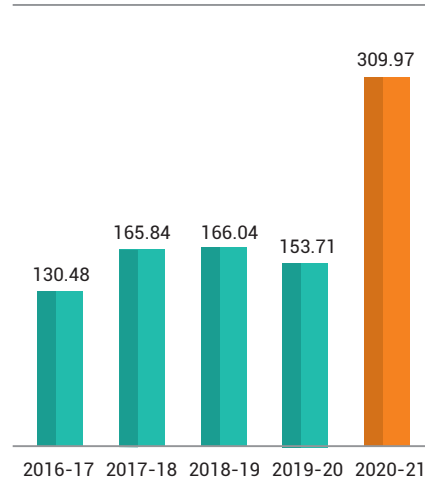
Net Sales (₹ in Cr.)



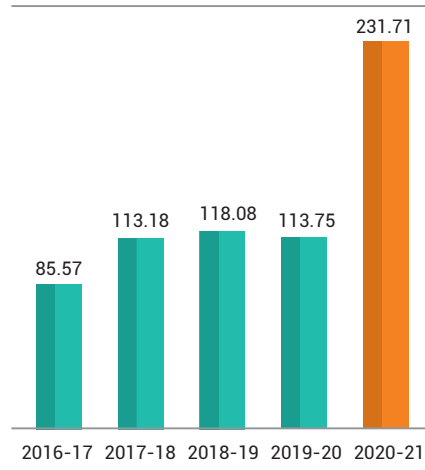
EBITDA (₹ in Cr.)



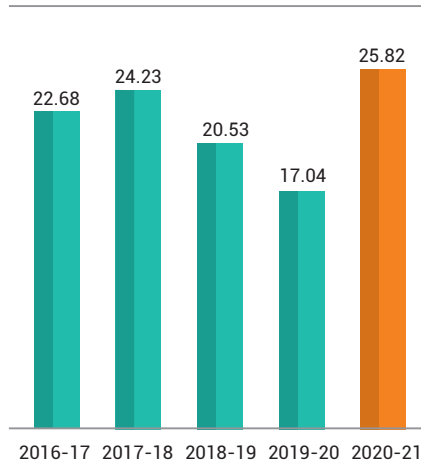
PBT (₹ in Cr.)



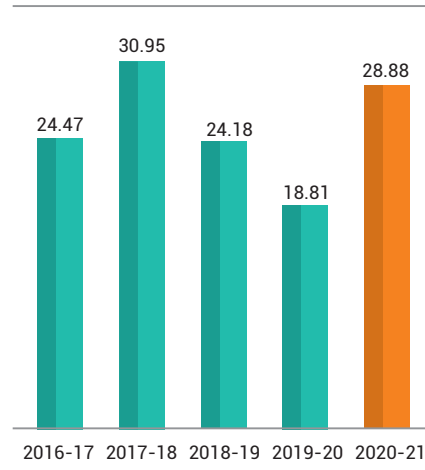
PAT (₹ in Cr.)



RoE (%)



RoCE (%)



EBITDA: Earnings Before Interest Tax and Depreciation | PBT: Profit before Tax | PAT: Profit after Tax
 ROE: Return on Equity | ROCE: Return on Capital Employed

Our Competitive Strengths

Preparing for tomorrow

We believe it is essential to continually keep moving forward and improve to remain at the top of the heap. The Company consciously undertakes various measures to operate in a dynamic business environment successfully. As a result, we enjoy business strengths that give us a competitive edge while helping us remain sustainable in the market. Following are some of the factors that make us the market leaders in various chemical and Amines products while adding to our ability to withstand challenges:

Preference for local sourcing

Higher logistical costs and the subsequent raw material price spikes deter consumer industries from importing. This leads to a preference for local sourcing, enabling the local players to cater to the stable demands of Amines and Speciality chemicals in India. Being a significant segment player, such preference gives the Company a competitive edge to grow business and remain sustainable in the market.

Value-added products

The Company focuses on high-value derivatives and specialty chemicals to move up the value-chain with vertical integration. We continually enhance our capabilities to innovate and launch new value-added products using our proven skills within the management team and the new operational structure. These products help the Company foster better reach while increasing our customer base.

Zero liquid discharge facility

We realise that the chemical waste produced during our processes can be hazardous and harmful in nature. We take cognizance of the fact and understand our role in proactively protecting the environment against such damage. As a measure, we have worked and taken the water treatment approach to turn all our facilities into Zero liquid discharge facility to protect environmental damage.



Huge customer base

Our products cater to a wide range of industries including Pharma, Agrochem, Paints & Resins, Animal Feeds, Oil & Gas, Rubber Cleaning, Chemicals Water Treatment, Dye and Textiles and among others. Our strong customer base encompasses 180 Clients in India and worldwide. Such broad-based clientele coupled with a diverse presence across various industries helps us de-risk against any unseen regional or industrial challenges, adding to the list of strengths we enjoy.

Diverse product portfolio

We have an extensive product portfolio of more than 25 different products, catering to a large client base. Using the power of R&D and innovation and backed by technological advancements, we continuously add new products to diversify our product range further. This helps us cater for the growing and evolving needs of different markets and a wider client base.

Our Expansion Strategies

Our blueprint for the road ahead

As a Company, we have always believed in being prepared for tomorrow's opportunities today. Over the years, we have worked on advancing prudently while constantly preparing ourselves for any contingencies. Even while at the peak of a summit, we believe challenges can bring one rolling down at the bottom of the heap. But despite all the difficulties, one must move on because that is the only way to grow and succeed. This mindset has been, and will always be, our blueprint for the road ahead.

In the past few years, we have experienced good demand traction from the pharmaceutical and agrochemical industry. To this line, the Indian pharma industry has witnessed a CAGR of more than 15% over the last five years. In addition, the outbreak of the Covid-19 pandemic has further led to robust demand for pharma products. We generate 51% of our revenues from the pharmaceutical industry today. And hence, the increased demand for pharmaceutical products has led to a rise in demand for our products as well. Similarly, the demand for the agrochemical industry, which constitutes

26% of our revenues, is also expected to witness a CAGR of 8.6%. Together these industries and their projected demand growth are most likely to drive significant demand for our methylamines and related value-added products.

15%

CAGR of Indian Pharma Industry over the last five years

51%

Revenue from Pharmaceutical Industry

8.6%

CAGR of Indian Agro chemical Industry

26%

Revenue from Agrochemical industries





The structure of China's chemical industry is changing due to stricter environment norms, tighter financing and consolidation. While these shifts may benefit select large players in the long run, they are likely to cause uncertainty for international players sourcing chemicals from China. On the other hand, India is likely to become one of the global destinations for specialty chemicals and Amines. As a result, we expect many opportunities for the Company to be created in certain value chains and segments going ahead.

To cater for this growing demand, we are proactively expanding our operation. The Company has a total capex of ₹ 156 Cr. upto March 2021 for Phase-I Greenfield Expansion. Under Phase I, the Company installed additional capacities of 16,500 TPA of Ethylamine. With this, we are now the largest manufacturer of Ethylamines in India. Further ₹ 160 Cr. will be used for capex during the Financial Year towards DMC, Methylamines in Unit IV & Captive Power Plant in Unit III. Owing to increased captive demand, separate Methyl Amines plant with manufacturing capacity of 40,000 TPA will be commissioned by end-2022 under Phase-II of Greenfield Expansion.

The demand for Acetonitrile is expected to be elevated, as it has emerged as user-friendly solvent and is being preferred by many end-users over other solvents. Under this, we have already got environment clearance of 18,000 TPA.

Looking into the current scenario which indicates the growth of API and Pharmaceutical Industries under 'Atmanirbhar Bharat' Package, we plan to set up a separate plant for DMF with a capacity of 30,000 TPA under Phase-2 expansion of Greenfield Project (Unit IV). Demand for DMF in India is witnessing a growth in the range of 7% to 10% per annum.

Currently we are witnessing increased demand and reduced imports, which is a major positive for the Company. It will lead to increased capacity utilisation (since DMF capacity historically has been underutilised). Moreover, demand-supply mismatch is also resulting in healthy price realisations.

₹ 156 Cr.

Phase-1 Greenfield Expansion
upto March 2021

16,500 TPA

Additional capacity installed
of Ethylamine

30,000 TPA

Under Phase 2 Expansion
Plan of Greenfield Project

Environment, Social and Governance (ESG)

ESG incorporates three broad categories of Environment, Social and Governance as a vital part of business practices. The Company believes it is essential and leads to longevity as it helps attract conscious investors to look at parameters that go beyond just the financial performance.



Environment

The risk of chemical incidents poses a threat to the environment, health and safety of our employees, and in turn, business continuity. We have robust systems and processes in place on our sites to mitigate this risk. It helps us remain focused on growing our business and maintaining our market position, while setting a clear path for long term sustainability – maximising stakeholder value.

During the year, we undertook various relevant measures which included:

- ▶ **Adoption of advanced technology in recovering wastewater:** This resulted in minimising the impact of our processes on environment while concentrating on the core principle of Reduce, Reuse and Recycle of all the resources

- ▶ **Initiation of several improvements at the Acetonitrile plant:** This resulted in lower consumption co-efficiency
- ▶ **Initiation of various models in reducing, reusing and recycling of natural resources:** This helped in sustainable usage of natural resources

The Company also obtained environment clearances for several products successfully.

Zero Liquidity Discharge Base

Social

The Company is committed to contributing to society at large. Through our CSR activities in education, healthcare, and livelihood, we strive to uplift economically weaker sections of the Society. One of the Company's primary responsibilities is to give back to the society and contribute in the country's development. Broadly, the social activities of the Company emphasise education, healthcare and community services, which are set out as below:

Education

The Company's involvement in the field of education includes a contribution to Solapur, Osmanabad and Medak district area's where the Company runs its educational institutions. The Company provides notebooks, library books, benches, desks, water filters R/O system, toilet blocks, laboratory equipment, fund for the construction of school building and other required furniture. Besides this, we also provide projectors and computers to act as a catalyst for developing e-learning process in schools and scholarships for the needy students. We regularly sponsor district level and international conferences, educational lectures, and seminars. We also encourage sports education by helping children preparing for the State or National level sports.



Donated BIPAP ST 30 - 2 and HIGHFLOW O2 Therapy Machine - 2 to Collector Office, Osmanabad



Distributed sanitizer - 50 ltr and spray bottles - 10 Nos to Police Adhikshak Karyalay Solapur, Gramin



Distributed HIGHFLOW O2 Therapy Machine - 1 and Sanitizer - 20 Ltr to Sub-district Hospital, Tuljapur, Dist - Osmanabad



Donated 100 LPH RO System to Primary Health Centre, Kandalgao, Solapur



Constructed toilet block for Gangai Sapate Prashala Kanishtha Mahavidyalay, Tarapur Nala, Surli Gaonthan, Pandharpur, Solapur



Donated X-Ray Machine (Scan Ray) and Radiography System to Solapur Municipal Corporation, Solapur

₹ 3.74 Cr.

Amount spent on CSR Activities in 2020-21

12.67 lakhs

Number of Beneficiaries

Healthcare

The Company donates to the patients for their medical treatments catering to medical and healthcare services. We also have health units to provide medical facilities to emergency patients and for the needy section of the public. The Company organises regular free health camps (including eye/dental checkups) in remote and inaccessible areas. For healthcare, the Company also distributes dustbins and toilet blocks around the Solapur district and Osmanabad for better health and hygiene of the rural public. Apart from providing other facilities for rural people, the Company has also helped mitigate the water shortage in Solapur

and Osmanabad Districts. Permanent water tanks (i.e. RCC tanks) with a capacity of 3,000 Litres and more were distributed. Additionally, the Company also provided water for the livestock in some of the villages.

Community Service

The Company contributes to the orphanages situated in and around Solapur. We provide financial support and look after the maintenance of the homeless people by financially assisting in uplifting them. In addition, the Company has donated wheelchairs for senior citizens at Solapur Railway Station.



Constructed Science Laboratory for Dyandan Madyamik Vidyalay, Javale (Du), Dist - Osmanabad



Donated HIGHFLOW O2 Therapy Machine - 5 Nos and Disinfection Kits - 2 Nos to Shri Chhatrapati Shivaji Maharaj Sarvopchar Rugnalay, Solapur (Civil Hospital)



Donated Sanitary Napkin Vending Machine and Incinerator - 4 Nos to Central Railway, Solapur



Funds for construction of Rythu Vedika at Nizampet Mandal (Medak District) District Collector, Medak

Conservation of Natural Resources

The Maharashtra Government in India launched a water conservation scheme named 'Jalyukt Shivar Abhiyan' to make Maharashtra a drought-free state. As a part of the conservation of natural resources, we too undertook Jalyukt Shivar Abhiyaan. The key aim of Jalyukta Shivar Abhiyan is to establish belief in a farmer that 'every drop of rainwater is owned by him and it should percolate in his land'. Keeping this view in mind, the Company started this mission by way of deepening and widening of Nallas (drainage system) since 2015. So far, we have completed work in 27 villages and have helped to create a storage to the tune of 300 TCM (30 Crores Litres).

Rural Development

The Company extended help in establishing Ekalavya Centre for organic agriculture Research and Training Centre at Gungurti, Tandur Mandal, Vikarabad District. As a part of smart village development, we have been providing infrastructure facilities by way of construction of roads, providing cement poles, street lights, and surface drainage facilities to various villages. To promote the Government's 'Swatch Bharat Abhiyan', we contributed by supplying garbage containers to Solapur and Osmanabad district. The Company also provided containers and dumper placer for waste management of Municipal Corporation of Solapur/ Osmanabad/Medak.

We always strive to achieve the wellbeing of the society that we closely operate within along with other neighbouring communities and the nation at large.



Constructed of ESR 2 Lakh capacity water tank at Grampanchayat Chincholi, Kati, Mohol, Dist - Solapur

Governance

Ours is a value-based organisation, committed to high standards of business integrity and ethics. Our Board steers and sets the Group's direction and brings independent, informed and effective judgement and leadership to bear on material decisions reserved for the Board. All of this, while ensuring that strategy, risk, performance and sustainable development considerations are effectively integrated and appropriately balanced.

50%
Independent Directors



Board of Directors



Mr. A. Prathap Reddy
*Executive Chairman and
Whole-time Director*



Mr. D. Ram Reddy
Managing Director



Mr. N. Rajeshwar Reddy
Joint Managing Director



Mr. G. Hemanth Reddy
Whole-time Director & CFO



Mr. A. Srinivas Reddy
Whole-time Director



Mr. T. Naveen Chandra
Independent Director



**Mr. Amarendra Reddy
Munipuri**
Independent Director



Mrs. Vimala B. Madon
Independent Director



**Mr. Chavali
Satyanarayana Murthy**
Independent Director



**Mr. Kashinath Revapa
Dholle**
Independent Director

Awards & Accolades

Appreciation and recognition add to persistence

01

Awarded Product Innovator of the Year in Chemicals – 2018

02

Bestowed for Distinguished Contribution in the Indian Chemicals Industry

03

Accorded for Excellent CSR in Water Conservation

04

Presented WHO GMP Certificate

05

Honoured for REACH Pre-Registration

06

Conferred with Niryat Shree Award by FIEO

07

Awarded with "Excellent CSR in water conservation" at 2nd National CSR Leadership Summit and Awards 2019

08

Award for the distinguished contribution in then Indian chemical industry at FICCI Chemical and Petrochemical award 2019



NOTICE

Notice is hereby given that the 33rd Annual General Meeting of Balaji Amines Limited will be held on Monday, 9th August, 2021 at 11:30 a.m. IST through Video Conference ("VC")/ Other Audio-Visual Means ("OAVM") facility to transact the following business:

ORDINARY BUSINESS: -

1. To receive, consider and adopt the Audited Financial Statement, including Audited Consolidated Financial Statement of the Company for the Financial Year ended 31st March, 2021 and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend of ₹ 4.00 Per Equity Share for the Financial Year 2020-21.
3. To appoint a Director in place of Mr. D. Ram Reddy (DIN: 00003864), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS: -

4. Ratification of Remuneration to Cost Auditors

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

RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force] and pursuant to the recommendation of Audit Committee, the remuneration payable to Mr. N.V.S. Kapardhi, Cost Accountants having Firm Registration Number 100231, appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records of the Company for the Financial year ended 31st March, 2022, amounting to ₹ 75,000/- (Rupees Seventy Five Thousand only) (plus GST and reimbursement of out of pocket expenses) be and is hereby ratified.

FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard."

5. Re-appointment of Mr. A. Prathap Reddy as Executive Chairman

To consider and, if thought fit with or without modification, to pass the following as an Special Resolution:

"RESOLVED THAT pursuant to the section 196 and 197 read with The Companies (Appointment and

Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) along with the schedule V of the Companies Act 2013, and other applicable provisions of Companies Act, 2013 and Pursuant to Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') and other applicable provisions of Listing Regulations, subject to articles of Association of the Company , Mr. A. Prathap Reddy be and is hereby reappointed as Executive Chairman of the Company for another term of 5 years with effect from 01.04.2021 on a remuneration detailed in the resolution as approved by Nomination and Remuneration Committee.

I. Salary ₹ 3,30,000/- p.m.

II. Perquisites:

- a) House Rent Allowance : 25% of the Salary
- b) Leave travel Concession: Reimbursement of Leave travel expenses for self & family once in 4 years
- c) Premium on Personal Accident Insurance and premium on Mediclaim policy for self and family not exceeding ₹ 25,000/- Per annum. For the purpose of this category, 'Family' means spouse, dependent children and dependent parents.
- d) Use of Company Car with Driver.
- e) Mobile Phone Facilities.
- f) Telephone facilities at residence
- g) Provident fund: Company's contribution to provident fund not exceeding 20 % of basic salary.
- h) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- i) The Chairman will be eligible for an annual increment of ₹ 10,000/- p.m. The first annual increment shall accrue to him on 1st April, 2022.
- j) The Chairman shall be entitled to be reimbursed in respect of all expenses incurred by him (including traveling, entertainment, etc.) for and on behalf of the Company during the course of business.
- k) Club Fees: Fees of Clubs subject to a maximum of one club.
- l) Commission on Profits: Up to 3% of the net profits of the year as computed according to the Companies Act, 2013.

NOTICE (Contd.)**III. Overall remuneration:**

The overall remuneration (i.e. salary, perquisites and commission) in any one financial year shall not exceed 3% of the net profits or any such higher limits prescribed from time to time under section 197 read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) along with the schedule V of the Companies Act 2013 as may for the time being, be in force and any amendments thereto. In case of any doubts/discrepancy/clarification that may arise with respect to payment of remuneration the same shall be determined and decided by the Remuneration Committee of Directors. Further, within the overall remuneration, the individual components may be changed as desired by Mr. A. Prathap Reddy and accepted by the Nomination and Remuneration Committee.

IV. Minimum remuneration:-

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

6. Re-appointment of Mr. D. Ram Reddy as Managing Director

To consider and, if thought fit with or without modification, to pass the following as an Special Resolution:

"RESOLVED THAT pursuant to the section 196 and 197 and 203 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) along with the schedule V of the Companies Act 2013 and other applicable provisions of Companies Act, 2013 and Pursuant to Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') and other applicable provisions of Listing Regulations, subject to articles of Association of the Company,, Mr. D. Ram Reddy be and is hereby reappointed as Managing Director for another term of 5 years with effect from 01.04.2021 on a remuneration detailed in the resolution as approved by Nomination and Remuneration Committee.

I. Salary ₹ 2,80,000/- p.m.

II. Perquisites:

- a) House Rent Allowance : 25% of the Salary
- b) Leave travel Concession: Reimbursement of

Leave travel expenses for self & family once in 4 years.

- c) Premium on Personal Accident Insurance and premium on Mediclaim policy for self and family not exceeding ₹ 25,000/- Per annum. For the purpose of this category, 'Family' means spouse, dependent children and dependent parents.
- d) Use of Company Car with Driver.
- e) Mobile Phone Facilities.
- f) Telephone facilities at residence
- g) Provident fund: Company's contribution to provident fund not exceeding 20 %of basic salary.
- h) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- i) The Managing Director will be eligible for an annual increment of ₹10,000/- p.m. The first annual increment shall accrue to him on 1st April, 2022.
- j) The Managing Director shall be entitled to be reimbursed in respect of all expenses incurred by him (including traveling, entertainment, etc.) for and on behalf of the Company during the course of business.
- k) Club Fees: Fees of Clubs subject to a maximum of one club.
- l) Commission on Profits: Up to 2% of the net profits of the year as computed according to the Companies Act, 2013.

III. Overall remuneration:

The overall remuneration (i.e. salary, perquisites and commission) in any one financial year shall not exceed 2% of the net profits or any such higher limits prescribed from time to time under section 197 read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) along with the schedule V of the Companies Act 2013 as may for the time being, be in force and any amendments thereto. In case of any doubts/discrepancy/clarification that may arise with respect to payment of remuneration the same shall be determined and decided by the Remuneration Committee of Directors. Further, within the overall remuneration, the individual components may be changed as desired by Mr. D. Ram Reddy and accepted by the Nomination and Remuneration Committee.

NOTICE (Contd.)**IV. Minimum remuneration:**

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

7. Re-appointment of Mr. N. Rajeshwar Reddy as Joint Managing Director

To consider and, if thought fit with or without modification, to pass the following as an Special Resolution:

"RESOLVED THAT pursuant to the section 196 and 197 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) along with the schedule V of the Companies Act 2013, and other applicable provisions of Companies Act, 2013 and Pursuant to Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') and other applicable provisions of Listing Regulations subject to articles of Association of the Company, Mr. N. Rajeshwar Reddy be and is hereby reappointed as Joint Managing Director for another term of 5 years with effect from 01.04.2021 on a remuneration detailed in the resolution as approved by Nomination and Remuneration Committee.

I. Salary ₹ 2,80,000/- p.m.

II. Perquisites:

- a) House Rent Allowance : 25% of the Salary
- b) Leave travel Concession: Reimbursement of Leave travel expenses for self & family once in 4 years.
- c) Premium on Personal Accident Insurance and premium on Mediciam policy for self and family not exceeding ₹ 25,000/- Per annum. For the purpose of this category, 'Family' means spouse, dependent children and dependent parents.
- d) Use of Company Car with Driver.
- e) Mobile Phone Facilities.
- f) Telephone facilities at residence
- g) Provident fund: Company's contribution to provident fund not exceeding 20% of basic salary.
- h) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

- i) The Joint Managing Director will be eligible for an annual increment of ₹10,000/- p.m. The first annual increment shall accrue to him on 1st April, 2022.
- j) The Joint Managing Director shall be entitled to be reimbursed in respect of all expenses incurred by him (including traveling, entertainment, etc.) for and on behalf of the Company during the course of business.
- k) Club Fees: Fees of Clubs subject to a maximum of one club.
- l) Commission on Profits: Up to 2% of the net profits of the year as computed according to the Companies Act, 2013.

III. Overall remuneration:

The overall remuneration (i.e. salary, perquisites and commission) in any one financial year shall not exceed 2% of the net profits or any such higher limits prescribed from time to time under section 197 read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) along with the schedule V of the Companies Act 2013 as may for the time being, be in force and any amendments thereto. In case of any doubts/discrepancy/clarification that may arise with respect to payment of remuneration the same shall be determined and decided by the Remuneration Committee of Directors. Further, within the overall remuneration, the individual components may be changed as desired by Mr. N. Rajeshwar Reddy and accepted by the Remuneration Committee.

IV. Minimum remuneration:

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

8. Re-appointment of Mr. G. Hemanth Reddy as Whole-time Director & CFO

To consider and, if thought fit with or without modification, to pass the following as an Special Resolution:

"RESOLVED THAT pursuant to the section 196 and 197 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) along with the schedule V of the Companies Act 2013, and other applicable provisions of Companies Act, 2013 and Pursuant to

NOTICE (Contd.)

Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') and other applicable provisions of Listing Regulations subject to articles of Association of the Company, Mr. G. Hemanth Reddy be and is hereby reappointed as Whole Time Director for another term of 5 years with effect from 01.04.2021 on a remuneration detailed in the resolution as approved by Nomination and Remuneration Committee.

I. Salary ₹ 2,80,000/- p.m.

II. Perquisites:

- a) House Rent Allowance : 25% of the Salary
- b) Leave travel Concession: Reimbursement of Leave travel expenses for self & family once in 4 years.
- c) Premium on Personal Accident Insurance and premium on Mediclaim policy for self and family not exceeding ₹ 25,000/- Per annum. For the purpose of this category, 'Family' means spouse, dependent children and dependent parents.
- d) Use of Company Car with Driver.
- e) Mobile Phone Facilities.
- f) Telephone facilities at residence
- g) Provident fund: Company's contribution to provident fund not exceeding 20% of basic salary.
- h) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- i) The Whole Time Director will be eligible for an annual increment of ₹ 10,000/- p.m. The first annual increment shall accrue to him on 1st April, 2022.
- j) The Whole Time Director shall be entitled to be reimbursed in respect of all expenses incurred by him (including traveling, entertainment, etc.) for and on behalf of the Company during the course of business.
- k) Club Fees: Fees of Clubs subject to a maximum of one club.
- l) Commission on Profits: Up to 1% of the net profits of the year as computed according to the Companies Act, 2013.

III. Overall remuneration:

The overall remuneration (i.e. salary, perquisites and commission) in any one financial year shall not exceed 1% of the net profits or any such higher limits

prescribed from time to time under section 197 read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) along with the schedule V of the Companies Act 2013 as may for the time being, be in force and any amendments thereto. In case of any doubts/discrepancy/clarification that may arise with respect to payment of remuneration the same shall be determined and decided by the Remuneration Committee of Directors. Further, within the overall remuneration, the individual components may be changed as desired by Mr. G. Hemanth Reddy and accepted by the Remuneration Committee.

IV. Minimum remuneration:

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

9. Re-appointment of Mr. A. Srinivas Reddy, as a Whole-time Director

To consider and, if thought fit with or without modification, to pass the following as an Special Resolution:

"RESOLVED THAT pursuant to the section 196 and 197 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) along with the schedule V of the Companies Act 2013, and other applicable provisions of Companies Act, 2013 and Pursuant to Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') and other applicable provisions of Listing Regulations subject to articles of Association of the Company Mr. A. Srinivas Reddy be and is hereby reappointed as Whole Time Director for another term of 5 years with effect from 01.04.2021 on a remuneration detailed in the resolution as approved by Nomination and Remuneration Committee.

I. Salary ₹ 2,50,000/-

II. Perquisites:

- a) House Rent Allowance : 25% of the Salary
- b) Leave travel Concession: Reimbursement of Leave travel expenses for self & family once in 4 years.
- c) Premium on Personal Accident Insurance and premium on Mediclaim policy for self and

NOTICE (Contd.)

- family not exceeding ₹ 25,000/- Per annum. For the purpose of this category, 'Family' means spouse, dependent children and dependent parents.
- d) Use of Company Car with Driver.
 - e) Mobile Phone Facilities.
 - f) Telephone facilities at residence
 - g) Provident fund: Company's contribution to provident fund not exceeding 20% of basic salary.
 - h) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
 - i) The Whole Time Director will be eligible for an annual increment of ₹ 10,000/- p.m. The first annual increment shall accrue to him on 1st April, 2022.
 - j) The Whole Time Director shall be entitled to be reimbursed in respect of all expenses incurred by him (including traveling, entertainment, etc.) for and on behalf of the Company during the course of business.
 - k) Club Fees: Fees of Clubs subject to a maximum of one club.
 - l) Commission on Profits: Up to 2% of the net profits of the year as computed according to the Companies Act, 2013.

By Order of the Board
For Balaji Amines Limited

Sd/-

G. Hemanth Reddy

Whole-time Director & CFO

III. Overall remuneration:

The overall remuneration (i.e. salary, perquisites and commission) in any one financial year shall not exceed 2% of the net profits or any such higher limits prescribed from time to time under section 197 read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) along with the schedule V of the Companies Act 2013 as may for the time being, be in force and any amendments thereto. In case of any doubts/discrepancy/clarification that may arise with respect to payment of remuneration the same shall be determined and decided by the Remuneration Committee of Directors. Further, within the overall remuneration, the individual components may be changed as desired by Mr A. Srinivas Reddy and accepted by the Nomination and Remuneration Committee.

IV. Minimum remuneration:

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

Date: 24th May, 2021

Place: Secunderabad

NOTICE (Contd.)**NOTES FOR MEMBERS**

- 1) In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs has permitted the holding of the Annual General Meeting through video conferencing (VC) or other audio-visual means (OAVM), without the physical presence of the Members at a common venue, in compliance with the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and MCA Circulars dated 08th April, 2020, Circular No.17/2020 dated 13th April, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated 05th May, 2020 and Circular No. 02/2021 dated 13th January, 2021 and all other relevant circulars issued from time to time
- 2) The Explanatory Statement as required under section 102 of the Companies Act, 2013 is annexed hereto.
- 3) Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting
- 4) Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy of its Board or governing body Resolution/ Authorisation etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorisation shall be sent to the Scrutinizer by email through its registered email address to ysn@ysnlawoffices.com or cs@balajiamines.com with a copy marked to evoting@nsdl.co.in
- 5) The Register of Members and Transfer Books of the Company will be closed from Monday, 2nd August, 2021 to Monday, 9th August, 2021 (both days inclusive).
- 6) Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further pursuant to the provisions of Section 124 of the Companies Act, 2013 read with IEPF Rules, all shares on which dividend

has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

In accordance with the aforesaid IEPF Rules, the Company has also published notice in newspapers regarding proposed transfer of shares to IEPF Authority. The shareholders whose dividend/shares is/will be transferred to the IEPF Authority can claim the same from the IEPF Authority by following the procedure as detailed on the website of IEPF Authority www.iepf.gov.in

Members who have not yet encashed the dividend warrants from the financial year ended 31st March 2014 onwards are requested to forward their claims to the Company's Registrar and Share Transfer Agents without any further delay. It is in Members' interest to claim any un-encashed dividends and for future, opt for Electronic Clearing Service, so that dividends paid by the Company are credited to the Members' account on time

It may be noted that once the unclaimed dividend is transferred to IEPF as above, no claim shall rest with the Company in respect of such amount. It may also be noted that the unclaimed dividend amount which were lying with the Company upto and in respect of the year ended on 31st March 2013, have already been transferred to IEPF. The details of the unclaimed dividends are available on the Company's website at www.balajiamines.com and on the website of Ministry of Corporate Affairs at www.mca.gov.in. Members are requested to contact the Company's Registrar and Share Transfer Agent or the Company to claim the unclaimed/unpaid dividends.

- 7) Members can avail the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to RTA of the Company. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.
- 8) The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the Depositories and the bank account details maintained by the Registrar and Transfer Agents for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through the Electronic Clearing Service (ECS)/National Electronic Clearing Service (NECS)/Real Time Gross Settlement (RTGS)/Direct Credit, etc. As directed by SEBI, the Members

NOTICE (Contd.)

holding shares in physical form are requested to submit particulars of their bank account along with the original cancelled cheque bearing the name of the Member to RTA/Company to update their Bank Account details. Members holding shares in demat form are requested to update their Bank Account details with their respective Depository Participant.

- 9) SEBI has decided that securities of listed companies can be transferred only in dematerialised form. In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form.
- 10) As per the MCA Circulars, owing to the difficulties involved in dispatching of physical copies of the Annual Report 2020- 21 including financial statements (along with Board's report, Auditor's report or other documents required to be attached therewith), shall be sent only by email to the members (at their registered email) and to all other persons so entitled unless the Members have requested for a physical copy of the same. Members are requested to update their e-mail addresses with the Depository Participant (in case of Shares held in dematerialised form) or with RTA (in case of Shares held in physical form). For any communication, the Members may also send requests to the Company's email id: cs@balajiamines.com
- 11) Those members whose email IDs are not registered, are requested to register their email ID with Registrar & Share Transfer Agent i.e. info@vccipl.com (R&TA) by writing an email either to the R&TA at info@vccipl.com or to the Company at cs@balajiamines.com carrying the following details
 - a. Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN and AADHAR (self-attested scanned copy of both PAN card and Aadhar card) Name as registered with the R&TA,
 - b. Address, email, Copy of PAN, DPID/Client ID or Folio Number, Number of shares held.
 - c. To update bank account details, please send the following additional documents/ information followed by the hard copies:
 - i. Name of the bank and branch address,
 - ii. Type of bank account i.e., savings or current,
 - iii. Bank account no. allotted after implementation of core banking solutions,
 - iv. 9-digit MICR code no., and 11-digit IFSC code
 - v. Original cancelled cheque bearing
 - vi. the name of the first shareholder, failing which a copy of the bank passbook / statement attested by a bank
- d. Members holding in DMAT Mode, please contact your DP and follow the process advised by your DP.
- 12) Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, etc., to their DPs if the shares are held by them in electronic form and to RTA if the shares are held by them in physical form.
- 13) The Company has fixed Friday, July 30, 2021 as the 'Record Date' for determining entitlement of members to dividend for the Financial Year ended March 31, 2021, if approved at the AGM.
- 14) All other documents referred to in the Explanatory Statement along with Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, are available for inspection on the website of the Company at www.balajiamines.com alternatively members can reach out to cs@balajiamines.com
- 15) In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated 13th April, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.balajiamines.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
- 16) AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated 08th April, 2020 and MCA Circular No. 17/2020 dated 13th April, 2020, MCA Circular No. 20/2020 dated 05th May, 2020 and MCA Circular No. 2/2021 dated 13th January, 2021.
- 17) 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.
- 18) Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- 19) Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
- 20) Additional information pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements)

NOTICE (Contd.)

Regulations, 2015 and pursuant to Secretarial Standards on general meetings, information in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting is furnished in the annexure and forms part of the notice. The Directors have furnished the requisite consent / declaration for their appointment / re-appointment.

21) Members are requested to:-

- a) intimate to RTA, changes, if any, in their registered addresses at an early date, in case of shares held in physical form;
- b) intimate to the respective Depository Participant, changes, if any, in their registered addresses at an early date, in case of shares held in dematerialised form;
- c) quote their folio numbers/Client ID/DP ID in all correspondence;
- d) Consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names; and
- e) register their Permanent Account Number (PAN) with their Depository Participants, in case of Shares held in dematerialised form and RTA/ Company, in case of Shares held in physical form, as directed by SEBI.

22) Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to cs@balajiamines.com by 11:59 p.m. IST on 9th August, 2021. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to cs@balajiamines.com. The aforesaid declarations and documents need to be submitted by the shareholders on or before 9th August, 2021.

The details related to TDS on dividend as per the provisions of the Income Tax Act, 1961 are given at the end of this Annual Report.

23) Instructions for e-voting and joining the AGM are as follows:

A. VOTING THROUGH ELECTRONIC MEANS

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on Resolutions proposed to be considered at the 33rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the 33rd Annual General Meeting (AGM) ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The remote e-voting period commences on Friday, 6th August, 2021 (9:00 a.m. IST) and ends on Sunday, 8th August, 2021 (5:00 p.m. IST). The e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date Monday, 2nd August, 2021 may cast their vote electronically.
- III. Mr. Y. Suryanarayana, Corporate Lawyer, High Court of Telangana has been appointed as the Scrutiniser by the Board of Directors to scrutinise the e-voting process in a fair and transparent manner.
- IV. The members who have cast their vote by remote e-voting prior to the 33rd Annual General Meeting (AGM) may also attend the 33rd Annual General Meeting (AGM) through VC/OAVM but shall not be entitled to cast their vote again.
- V. The voting rights of shareholders shall be in proportion to their shares on the paid-up equity share capital of the Company as on the cut-off date for e-voting.
- VI. Any person, who acquires shares of the Company and become member of the

NOTICE (Contd.)

Company after dispatch of the notice and holding shares as on the cut-off date i.e., Monday, 2nd August, 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or info@vccilindia.com. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  App Store </div> <div style="text-align: center;">  Google Play </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div> </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.

NOTICE (Contd.)

Type of shareholders	Login Method
	<p>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

NOTICE (Contd.)

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on **"Forgot User Details/ Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/ folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by e-mail to suryacorporatelawyer@gmail.com with a copy marked to evoting@nsdl.co.in.

NOTICE (Contd.)

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@balajiamines.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@balajiamines.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote

through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

B. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- I. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the

NOTICE (Contd.)

- notice to avoid last minute rush.
- II. Members are encouraged to join the Meeting through Laptops for better experience.
 - III. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
 - IV. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
 - V. Facility of joining the AGM through VC shall open 15 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
 - VI. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in or 1800-222-990
 - VII. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at cs@balajiamines.com from 1st August, 2021 to 5th August, 2021. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- 24) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
- 25) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.balajiamines.com and on the website of NSDL simultaneously after the declaration of result by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the BSE and NSE Mumbai.

By Order of the Board
For Balaji Amines Limited

Sd/-

G. Hemanth Reddy

Whole-time Director & CFO

Date: 24th May, 2021

Place: Secunderabad

NOTICE (Contd.)**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****ITEM NO. 4**

The Board of Directors, at its Meeting held on 24th May, 2021, upon the recommendation of the Audit Committee, approved the re-appointment of Mr. N.V.S. Kapardhi, Cost Accountants having Firm Registration Number 100231, as Cost Auditors of the Company for conducting the audit of the cost records of the Company, for the Financial Year ending 31st March, 2022, at a remuneration of ₹ 75000 (Rupees Seventy Five Thousand only) (plus Goods and Services Tax and reimbursement of out of pocket expenses).

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Members of a Company are required to ratify the remuneration to be paid to the cost auditors of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for conducting the audit of the cost records of the Company for the Financial Year ending 31st March, 2021.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval of the Members.

ITEM NO. 5

The Board of Directors based on the recommendation of Nomination and Remuneration Committee, in their Meeting held on 08th February, 2021 has re-appointed Mr. A. Prathap Reddy as Executive Chairman of the Company from 1st April, 2021 to 31st March, 2026. Pursuant to provisions of Section 196, 197 read with Schedule V of the Companies Act, 2013 any such reappointment shall be subject to the approval of members in their General Meeting.

Hence the resolution is recommended for your approval by way of Special Resolution.

Excepting for Mr. N. Rajeshwar Reddy, Joint Managing Director of the Company Mr. D. Ram Reddy, Managing Director of the Company and Mr. G. Hemanth Reddy, Wholetime Director of the Company and Mr. A. Srinivas Reddy, Wholetime Director of the Company and their relatives, none of the other directors, KMPs or their relatives are concerned or interested, financially or otherwise in this resolution set out in at item no 5.

The Brief Profile of Directors Mr. A Prathap Reddy

Mr. A Prathap Reddy is a Civil Engineer by qualification and started his career in the year 1970 working for a company engaged in manufacturing of RCC spun pipes. In the year 1988

he incorporated Balaji Amines Limited for the manufacture of Methyl and Ethyl Amines.

BAL's continuing success is a testimony to the entrepreneurial skills of Shri. A. Prathap Reddy. His vision and perseverance today has taken the Company as one of the leading manufacturers and exporters of specialty chemicals, aliphatic amines and derivatives in the entire Chemical Industry. Shri. A. Prathap Reddy received the an award for his contribution in World Class Manufacturing and Operational Excellence for the year 2011, in the Manufacturing Leadership Awards & Conclave 2012 instituted by the Industry 2.0 magazine, a publication of 9.9 Media which seeks to recognize senior manufacturing executives who have demonstrated remarkable and outstanding excellence in their respective areas.

He has been spearheading the growth of the Company and played a key role at every stage and phase of development and decision making. His vision, guidance, dynamism, and efforts have taken the Company to new heights and to the next level of growth.

Details of directorships and other details of Mr. A Prathap Reddy as required as per Secretarial Standards and Regulation 36 of the Listing Regulations and Secretarial Standards of Institute of Company Secretaries of India are furnished as annexure to this Notice.

ITEM NO. 06

The Board of Directors based on the recommendation of Nomination and Remuneration Committee, in their Meeting held on 08th February, 2021 has re-appointed Mr. D Ram Reddy as Managing Director of the Company from 1st April, 2021 to 31st March, 2026. Pursuant to provisions of Section 203, 196, 197 read with Schedule V of the Companies Act, 2013 any such reappointment shall be subject to the approval of members in their General Meeting.

Hence the resolution is recommended for your approval by way of special resolution.

Excepting for Mr. A. Prathap Reddy, Executive Chairman of the Company, Mr. N. Rajeshwar Reddy, Joint Managing Director of the Company and Mr. G. Hemanth Reddy, Wholetime Director of the Company and Mr. A. Srinivas Reddy, Wholetime Director of the Company and their relatives, none of the other directors, KMPs or their relatives are concerned or interested, financially or otherwise in this resolution set out in at item no 6

The Brief Profile of Directors Mr. D Ram Reddy

Mr. D. Ram Reddy is a graduate having more than 35 years of experience spread across various businesses. He joined Bharat Cement Pipe Industries, Hyderabad as Manager in 1980. In 1985, he promoted Balaji Cement Products Pvt Limited and

NOTICE (Contd.)

successfully managed the Company before joining Balaji Amines as Director in 1988.

He is responsible for the procurement, marketing and logistics activities of the Company. He has played a key role in establishing customer and supplier's relationship with leading buyers and suppliers of specialty chemicals both within the country and also abroad. He was instrumental in achieving first of its kind large scale supply contract arrangement with world's leading company in speciality chemicals.

Details of directorships and other details of Mr. D Ram Reddy as required as per Secretarial Standards and Regulation 36 of the Listing Regulations and Secretarial Standards of Institute of Company Secretaries of India are furnished as annexure to this Notice.

ITEM NO. 07

The Board of Directors based on the recommendation of Nomination and Remuneration Committee, in their Meeting held on 08th February, 2021 has re-appointed Mr. N Rajeshwar Reddy as Wholetime Director consequently designated as Joint Managing Director of the Company from 1st April, 2021 to 31st March, 2026. Pursuant to provisions of Section 196, 197 read with Schedule V of the Companies Act, 2013 any such reappointment shall be subject to the approval of members in their General Meeting.

Hence the resolution is recommended for your approval by way of special resolution.

Excepting for Mr. A. Prathap Reddy, Executive Chairman of the Company, Mr. D. Ram Reddy, Managing Director of the Company and Mr. G. Hemanth Reddy, Wholetime Director of the Company and Mr. A. Srinivas Reddy, Wholetime Director of the Company and their relatives, none of the other directors, KMPs or their relatives are concerned or interested, financially or otherwise in this resolution set out in at item no. 7

The Brief Profile of Directors Mr. N Rajeshwar Reddy

Mr. N. Rajeshwar Reddy is a commerce graduate having more than four decades of experience spread across different Industries. He started his career as a Manager in Bharat Cement Pipe Industries, in 1976 and in 1982 founded Bhagyanagar Potteries and managed the unit till 1985. In 1985, he joined Balaji Cement Products Private Limited as Executive director and successfully implemented the project, before joining Balaji Amines Limited as Director in 1988.

He is responsible for the day to day operations at the plants in Solapur. He has been instrumental in executing the projects in time with lowest cost of investments well within time schedules.

Details of directorships and other details of Mr. N Rajeshwar Reddy as required as per Secretarial Standards and Regulation 36 of the Listing Regulations and Secretarial Standards of Institute of Company Secretaries of India are furnished as annexure to this Notice.

ITEM NO. 08

The Board of Directors based on the recommendation of Nomination and Remuneration Committee in their Meeting held on 08th February, 2021 has re-appointed Mr. G Hemanth Reddy as Wholetime Director of the Company from 1st April, 2021 to 31st March, 2026. Pursuant to provisions of Section 196, 197 read with Schedule V of the Companies Act, 2013 any such reappointment shall be subject to the approval of members in their General Meeting.

Hence the resolution is recommended for your approval by way of special resolution.

Excepting for Mr. A. Prathap Reddy, Executive Chairman of the Company, Mr. N. Rajeshwar Reddy, Joint Managing Director of the Company Mr. D. Ram Reddy, Managing Director of the Company and Mr. A. Srinivas Reddy, Wholetime Director of the Company and their relatives, none of the other directors, KMPs or their relatives are concerned or interested, financially or otherwise in this resolution set out in at item no 8.

The Brief Profile of Directors Mr. G Hemanth Reddy

Mr. G. Hemanth Reddy is a post graduate in management with Finance and Marketing as specialisation having more than 30 years of experience spread across various businesses. He has been instrumental in setting up of Bhagyanagar Woodplast Limited and successfully managed the IPO of Bhagyanagar Woodplast. As an Executive Director, he has implemented various projects globally such as water supply projects in Africa, Solar project in Africa and Rural electrification and Global Sourcing of material for various water supply projects in Africa.

He joined Balaji Amines Limited as Whole Time Director responsible for finance, operations and administration of Unit-II of the Company. He is also being appointed as the Chief financial Officer of the Company.

Details of directorships and other details of Mr. G Hemanth Reddy as required as per Secretarial Standards and Regulation 36 of the Listing Regulations and Secretarial Standards of Institute of Company Secretaries of India are furnished as annexure to this Notice.

ITEM NO. 09

The Board of Directors based on the recommendation of Nomination and Remuneration Committee in their Meeting held on 08th February, 2021 has re-appointed Mr. A Srinivas Reddy as Wholetime Director of the Company from 1st April, 2021 to 31st March, 2026. Pursuant to provisions of Section 196, 197 read with Schedule V of the Companies Act, 2013 any such reappointment shall be subject to the approval of members in their General Meeting.

Hence the resolution is recommended for your approval by way of special resolution.

NOTICE (Contd.)

Excepting for Mr. A. Prathap Reddy, Executive Chairman of the Company, Mr. N. Rajeshwar Reddy, Joint Managing Director of the Company Mr. D. Ram Reddy, Managing Director of the Company and Mr. G. Hemanth Reddy, Wholetime Director of the Company and their relatives, none of the other directors, KMPs or their relatives are concerned or interested, financially or otherwise in this resolution set out in at item no 9.

The Brief Profile of Directors Mr. A Srinivas Reddy

Mr. A Srinivas Reddy is a Post Graduate in Computer science. Completed executive management programme at Indian School of Business (ISB) Hyderabad. He started his career in one of the largest management consulting firms in USA, Capgemini as a management consultant. and worked in various capacities in different countries.

He has worked as project manager on multiple projects at large Fortune 100 US companies including Sprint, Goodyear, Agilent technologies Cummins Inc, etc. He has been on the board of Balaji Amines Limited since 11.5.2013. Mr. A Srinivas Reddy is the responsible -for New Projects/Expansion Projects along with New Technologies and processes of the Company

Details of directorships and other details of Mr. A Srinivas Reddy as required as per Secretarial Standards and Regulation 36 of the Listing Regulations and Secretarial Standards of Institute of Company Secretaries of India are furnished as annexure to this Notice.

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

Sd/-

G. Hemanth Reddy

Whole-time Director & CFO

Date: 24th May, 2021

Place: Secunderabad

NOTICE (Contd.)

Details of Directors seeking appointment / re-appointment at the Annual General Meeting (Pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standards on General Meetings)

Name of the Director	A Prathap Reddy
Date of Appointment	He has been on the Board of the Company since 27.10.1988 and currently serving as Executive Chairman of the Company
Terms and conditions of appointment	Re-appointment to the office of Executive Chairman for another period of 5 years, w.e.f 1st April, 2021 to 31st March, 2026
Date of first appointment on the Board	27th October, 1988
Date of Birth	16th May, 1951
Expertise in Specific Functional areas and Experience	Mr. A Prathap Reddy is a Civil Engineer by qualification and In the year 1988 he incorporated Balaji Amines Limited for manufacture of Methyl and Ethyl Amines. BAL's continuing success is a testimony to the entrepreneurial skills of Shri. A. Prathap Reddy. His vision and perseverance today has taken the Company as one of the leading manufacturers and exporters of specialty chemicals, aliphatic amines and derivatives in the entire Chemical Industry. His vision, guidance, dynamism, and efforts have taken the Company to new heights and to the next level of growth
Educational Qualifications	Civil Engineer
Directorships in other Companies	1. Balaji Speciality Chemicals Private Limited 2. Satyarx Pharma Innovations Private Limited
Membership/Chairmanships of committees of Other Boards (other than the Company)	Nil
Details of Remuneration sought to be paid and the remuneration last drawn by such person	Proposed remuneration: as mentioned in the Resolution forming part of Notice Last drawn remuneration: refer Report on Corporate Governance
Shareholding in the Company as on 31st March, 2021	49,69,229
Relationship between Directors inter-se/ Manager and KMPs	Mr A Prathap Reddy, Executive Chairman of the Company is father of Mr. A. Srinivas Reddy, Whole time Director of the Company, Father In Law of Mr. G. Hemanth Reddy, Wholetime Director and CFO of the Company and Uncle of Mr. D. Ram Reddy, Managing Director of the Company
Number of Meetings of the Board attended during the year	4 out of 4
Name of the Director	D Ram Reddy
Date of Appointment	He has been serving on the Board since 15.01.1989 and currently serving as Managing Director of the Company
Terms and conditions of appointment	Re-appointment to the office of Managing Director for another period of 5 years, w.e.f 1st April, 2021 to 31st March, 2026
Date of first appointment on the Board	15th January, 1989
Date of Birth	20th October, 1961
Expertise in Specific Functional areas and Experience	Mr. D. Ram Reddy is a graduate having more than 35 years of experience spread across various businesses. He joined Bharat Cement Pipe Industries, Hyderabad as Manager in 1980. In 1985, he promoted Balaji Cement Products Pvt Limited and successfully managed the Company before joining Balaji Amines as Director. He is responsible for the procurement, marketing and logistics activities of the Company and plays a key role in establishing customer and supplier's relationship with leading buyers and suppliers of specialty chemicals both within the country and also abroad. He was instrumental in achieving first of its kind large scale supply contract arrangement with world's leading company in speciality chemicals.
Educational Qualifications	Graduate

NOTICE (Contd.)

Name of the Director	D Ram Reddy
Directorships in other Companies	<ol style="list-style-type: none"> SVS FOOD PROCESSORS PRIVATE LIMITED BALAJI SPECIALITY FINE CHEM PRODUCTS PRIVATE LIMITED SVS MEDICARE PRIVATE LIMITED BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED BALAJI GREENFIELD TECHNO VENTURES PRIVATE LIMITED THIRUMALA PRECICASTS PRIVATE LIMITED SRINIVASA CEMENT PRODUCTS PRIVATE LIMITED SVS PRODUCTS PRIVATE LIMITED AADHAAR LIFE SCIENCES PRIVATE LIMITED
Membership/Chairmanships of committees of Other Boards (other than the Company)	Nil
Details of Remuneration sought to be paid and the remuneration last drawn by such person	Proposed remuneration: as mentioned in the Resolution forming part of Notice Last drawn remuneration: refer Report on Corporate Governance
Shareholding in the Company as on 31st March, 2021	474655
Relationship between Directors inter-se/ Manager and KMPs	Mr D Ram Reddy, Managing Director of the Company is Nephew of Mr. A. Prathap Reddy, Executive Chairman of the Company and Cousin of Mr. A. Srinivas Reddy Whole time Director of the Company
Number of Meetings of the Board attended during the year	4 out of 4

Name of the Director	N Rajeshwar Reddy
Date of Appointment	He has been serving on the Board since 27th October, 1988 and currently serving as Joint Managing Director of the Company
Terms and conditions of appointment	Re-appointment to the office of Wholetime Director as Joint Managing Director for another period of 5 years, w.e.f 1st April, 2021 to 31st March, 2026
Date of first appointment on the Board	27th October, 1988
Date of Birth	02. February, 1955
Expertise in Specific Functional areas and Experience	<p>Mr. N. Rajeshwar Reddy is a commerce graduate having more than four decades of experience spread across different Industries. He started his career as a Manager in Bharat Cement Pipe Industries, in 1976 and in 1982 founded Bhagyanagar Potteries and managed the unit till 1985.</p> <p>In 1985, he joined Balaji Cement Products (Private) Limited as Executive director and successfully implemented the project, before joining Balaji Amines Limited as Director in 1988.</p> <p>He is responsible for the day to day operations at the plants in Solapur. He has been instrumental in executing the projects in time with lowest cost of investments well within time schedules.</p>
Educational Qualifications	Commerce Graduate
Directorships in other Companies	<ol style="list-style-type: none"> BALAJI SPECIALITY FINE CHEM PRODUCTS PRIVATE LIMITED BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED BALAJI GREENFIELD TECHNO VENTURES PRIVATE LIMITED THIRUMALA PRECICASTS PRIVATE LIMITED SRINIVASA CEMENT PRODUCTS PRIVATE LIMITED
Membership/Chairmanships of committees of Other Boards (other than the Company)	Nil
Details of Remuneration sought to be paid and the remuneration last drawn by such person	Proposed remuneration: as mentioned in the Resolution forming part of Notice Last drawn remuneration: refer Report on Corporate Governance
Shareholding in the Company as on 31st March, 2021	594895

NOTICE (Contd.)

Name of the Director	N Rajeshwar Reddy
Relationship between Directors inter-se/ Manager and KMPs	Mr. N Rajeshwar Reddy, Joint Managing Director of the Company is Brother in Law of Mr. G. Hemanth Reddy, Whole time Director and CFO of the Company
Number of Meetings of the Board attended during the year	4 out of 4

Name of the Director	G Hemanth Reddy
Date of Appointment	He has been serving on the Board since 01.04.1966 and currently serving as Whole time Director and CFO of the Company
Terms and conditions of appointment	Re-appointment to the office of Wholetime Director for another period of 5 years, w.e.f 1st April, 2021 to 31st March, 2026
Date of first appointment on the Board	28th July, 2008
Date of Birth	19th June, 1966
Expertise in Specific Functional areas and Experience	Mr. G. Hemanth Reddy is a post graduate in management with Finance and Marketing as specialisation having more than 30 years of experience spread across various businesses. He has been instrumental in setting up of Bhagyanagar Woodplast Limited and successfully managed the IPO of Bhagyanagar Woodplast. As an Executive Director, he has implemented various projects globally such as water supply projects in Africa, Solar project in Africa and Rural electrification and Global Sourcing of material for various water supply projects in Africa. He joined Balaji Amines Limited as Whole Time Director responsible for finance, operations and administration of Unit-II of the Company. He is also being appointed as the Chief Financial Officer of the Company
Educational Qualifications	Post Graduate in Management with Finance and Marketing
Directorships in other Companies	1. BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED
Membership/Chairmanships of committees of Other Boards (other than the Company)	Member of Audit Committee and Nomination and Remuneration Committee in Balaji Speciality Chemicals Private Limited
Details of Remuneration sought to be paid and the remuneration last drawn by such person	Proposed remuneration: as mentioned in the Resolution forming part of Notice Last drawn remuneration: refer Report on Corporate Governance
Shareholding in the Company as on 31st March, 2021	718803
Relationship between Directors inter-se/ Manager and KMPs	Mr G Hemanth Reddy, Wholetime Director and CFO of the Company is Son in Law of Mr. A. Prathap Reddy, Executive Chairman of the Company, Brother in Law of Mr. N. Rajeshwar Reddy, Joint Managing Director of the Company and Brother in Law of Mr. A. Srinivas Reddy, Joint Managing Director of the Company
Number of Meetings of the Board attended during the year	4 out of 4

Name of the Director	A Srinivas Reddy
Date of Appointment	He has been serving on the Board since 30.09.2013 and currently serving as Whole time Director of the Company
Terms and conditions of appointment	Re-appointment to the office of Wholetime Director for another period of 5 years, w.e.f 1st April, 2021 to 31st March, 2026
Date of first appointment on the Board	11th May, 2013
Date of Birth	10th May, 1975

NOTICE (Contd.)

Name of the Director	A Srinivas Reddy
Expertise in Specific Functional areas and Experience	<p>Mr. A Srinivas Reddy is a Post Graduate in Computer science. Completed executive management programme at Indian School of Business (ISB) Hyderabad.</p> <p>He started his career in one of the largest management consulting firms in USA, Capgemini as a management consultant. and worked in various capacities in different countries.</p> <p>He has worked as project manager on multiple projects at large Fortune 100 US companies including Sprint, Goodyear, Agilent technologies Cummins Inc, etc. He has been on the board of Balaji Amines Limited since 11.5.2013. Mr. A Srinivas Reddy is the responsible -for New Projects/Expansion Projects along with New Technologies and processes of the Company</p>
Educational Qualifications	Mr. A Srinivas Reddy is a Post Graduate in Computer science
Directorships in other Companies	BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED
Membership/ Chairmanships of committees of Other Boards (other than the Company)	Nil
Details of Remuneration sought to be paid and the remuneration last drawn by such person	<p>Proposed remuneration: as mentioned in the Resolution forming part of Notice</p> <p>Last drawn remuneration: refer Report on Corporate Governance</p>
Shareholding in the Company as on 31st March, 2021	16,93,647
Relationship between Directors inter-se/ Manager and KMPs	Mr A Srinivas Reddy, Wholetime Director of the Company Son of Mr. A. Prathap Reddy, Executive Chairman of the Company, Brother in Law of Mr. G. Hemanth Reddy, Wholetime Director and CFO of the Company and Cousin of Mr. D. Ram Reddy, Managing Director of the Company
Number of Meetings of the Board attended during the year	4 out of 4

DIRECTORS REPORT

To the Members,

The Directors are pleased to present the 33rd Annual Report of Balaji Amines Limited.

1. FINANCIAL RESULTS

(₹ In Lacs)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Revenue from Operations	1,22,777.95	91,905.41	1,31,145.51	93,577.18
Other Income	1203.04	1026.28	607.41	501.38
Total Revenue	1,23,980.99	92,931.69	1,31,752.92	94,078.56
Profit before Finance Charges, Tax Expenses, Exceptional items and Depreciation	33,864.90	19,002.78	37,929.87	18,576.12
Less : Depreciation	2,334.30	2,418.14	3,441.10	3,162.30
Profit before Finance Charges, Tax Expenses, Exceptional items	31,530.60	16,584.64	34,488.77	15,413.82
Less : Finance Charges	533.47	1,213.23	1,829.23	2,303.46
Profit Before Tax Expenses	30,997.13	15,371.41	32,659.54	13,110.36
Provision for Tax	8,002.49	4,424.25	8,486.44	3,797.98
Adjustments of earlier year Tax Provision	(176.46)	(428.15)	(176.46)	(434.65)
Profit After Tax	23,171.10	11,375.31	24,349.56	9,747.03
Total Comprehensive Income	23,171.10	11,375.31	24,349.56	9,747.03
(a) Shareholders of the Company	23,171.10	11,375.31	23,819.25	10,479.75
(b) Non-controlling interests	-	-	530.31	(732.72)
Less : Transfer to Reserves	2,317.11	1,137.53	2,317.11	1,137.53
Balance	20,853.99	10,237.78	21,502.14	9,342.22
Balance of profit of earlier years	57,826.10	49,699.62	56,876.19	49,645.30
Less: Final Dividend paid on Equity Shares (2018-19)	-	907.23	-	907.23
Interim Dividend paid on Equity Shares (2019-20)	-	842.42	-	842.42
Final Dividend paid on Equity Shares (2019-20)	194.41	-	194.41	-
Dividend Distribution Tax (Final Dividend 2018-19)	-	188.46	-	188.46
Dividend Distribution Tax (Interim Dividend 2019-20)	-	173.19	-	173.19
Others - Transitional Provision Effect of Ind AS116	-	0.00	-	0.03
Balance Carried Forward	78,485.68	57,826.10	78,183.92	56,876.19

2. PERFORMANCE HIGHLIGHTS

Your Company has achieved a Gross Income of ₹ 1,22,777.95 Lacs on standalone basis during the 2020-21. The Profit After Tax for the year stood at ₹ 23,171.10 Lacs.

Further details of operations are given in the Management Discussion and Analysis Report which forms part of this report.

3. DIVIDEND

During the Financial Year, based on the Company's performance, the Directors have declared dividend on equity shares @ ₹ 4/- (Four only) at 200% of the face value of ₹ 2/-. If approved by the Members would involve a cash outflow of ₹ 1,296.04 Lacs Pursuant to Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has framed a Dividend Distribution Policy and the same is herewith annexed as 'Annexure I' to this report. The Dividend Distribution Policy

DIRECTORS REPORT (Contd.)

is posted on the website of the Company and the web link is <http://www.balajiamines.com/investor-relations>

4. TRANSFER TO RESERVES

Your Company proposes to transfer a sum of ₹ 2,317.11 Lacs to the General Reserves. An amount of ₹ 20,853.99 Lacs is proposed to be retained in the statement of profit and loss.

5. SUBSIDIARIES

Balaji Speciality Chemicals Private Limited (BSCPL) is the only Subsidiary of the Company. **BSCPL is engaged in Manufacturing of Ethylenediamine (EDA), Piperazine (Anhydrous), Aminoethylpiperazine (AEP) and Diethylene triamine (DETA) and other Specialty Chemicals.**

6. CONSOLIDATED FINANCIAL STATEMENTS

As required pursuant to the provisions of Section 129 of the Companies Act, 2013, and the Securities and Exchange Board of India (Listing Regulations and Disclosure Requirements) Regulations, 2015, the Consolidated Financial Statements of the Company are prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India on the basis of the audited financial statements of the Company and its subsidiaries.

As per the provisions of Section 136 of the Companies Act, 2013, the Company will also place separate Audited accounts of its Subsidiaries on its website.

The Statement containing salient features of the financial statements of the subsidiaries in Form AOC-1 is attached as 'Annexure II' to this Annual Report.

7. CREDIT RATING

The Credit Rating of the Company is affirmed during the year as "IND AA-" (long term) "STABLE" by India Ratings and Research.

8. DETAILS OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

During 2020-21, no company ceased to be subsidiary of the Company and your company does not have any associates or joint ventures.

9. DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

The constitution of the Board is in Compliance with the provisions of Section 149 of the Companies Act, 2013, and the Listing Regulations.

Based on the recommendation of Nomination and Remuneration Committee, Mr. A Prathap Reddy, Executive Chairman of the Company, Mr. A Srinivas Reddy, Wholetime Director of the Company, Mr. G Hemanth Reddy, Wholetime Director and CFO of the Company, Mr. D Ram Reddy, Managing Director of the Company and Mr. N Rajeshwar Reddy, Joint Managing Director of the Company were re-appointed by the Board of Directors of the Company in their meeting held on 8th February, 2021 for a period of 5 years w.e.f 1st April, 2021 to 31st March, 2026, subject to approval of shareholders in the Annual General Meeting. Accordingly, resolution seeking approval of Shareholders for their re appointment forms part of the Notice of the 33rd AGM.

Mr. D. Ram Reddy retires by rotation and, being eligible, offers himself for re-appointment at the 33rd Annual General Meeting (AGM) of the Company scheduled to be held on 9th August 2021.

During 2020-21, there is a casual vacancy in the office of Company Secretary and Compliance Officer on 21st January, 2021.

10. DECLARATION BY INDEPENDENT DIRECTORS

Your Company has received declarations from all the Independent Directors of the Company confirming that they fulfill the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.

11. MEETINGS

During the year, four meetings of the Board of Directors were held, as more particularly disclosed in the attached Report on Corporate Governance. The intervening gap between any two meetings was within the prescribed period.

The number and dates of meetings held by the Board and its Committees, attendance of Directors and details of remuneration paid to them is given separately in Corporate Governance Report.

None of the Directors are disqualified under Section 164(2) of the Act. Certificate on non-disqualification, as required under Regulation 34 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 is annexed to this Annual Report.

Committees of the Board: Details of committees of the Board, their composition and other details are provided in the corporate governance section, which forms part of this annual report.

Meetings of Independent Directors

As stipulated by the Code of Independent Directors under the Act and the Listing Regulations, one Meeting of Independent Directors was held during the year.

DIRECTORS REPORT (Contd.)**12. BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and regulations contained in the chapters of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance by the Directors individually (including Independent Directors) as well as the evaluation of the working of its Audit, Nomination and Remuneration and other Committees.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgments, safe guarding the interest of the Company.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

Familiarisation program for Directors: A formal familiarisation programme was conducted about the amendments in the Companies Act, Rules prescribed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable laws to the Company.

It is the general practice of the Company to notify the changes in all the applicable laws from time to time in Board Meetings conducted.

13. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134 (5) of the Companies Act, 2013, your Directors confirm that to the best of their knowledge and belief and according to the information and explanation available to them,

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. Such accounting policies as mentioned in the notes to the financial statements have been selected and applied consistently and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the Company at the end of 2020-21 and of the statement of profit of the Company for that period;
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in

accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- iv. The annual accounts for the year 2020-21 have been prepared on a going concern basis;
- v. That the proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.

That system to ensure compliance with the provisions of all applicable laws were in place and were adequate and effectively mentioned under various heads of the departments which are in turn reporting to the Whole-time Directors.

14. RESEARCH & DEVELOPMENT

Your Company has been carrying out continuous Research and Development activities in the following areas:

- a) Identification of new products and development activities of latest process technologies are continuously worked on.
- b) Continuous improvement of processes and fine tuning of process parameters to optimize utilisation of energy, utilities & raw materials consumption and alternate routes are being looked at.
- c) Backward & forward integration of products to improve value chain and better utilisation of all the resources.
- d) Adoption of advanced technology in recovering waste water has resulted in minimizing the impact on environment and concentration of core principle of Reduce, Reuse and Recycle of all the resources.
- e) Several improvements in ACETONITRILE plant have been initiated which have resulted in lower consumption co-efficient and higher efficiency of plant operations.
- f) For sustainable usage of natural resources, the Company has initiated various models in reducing, reusing and recycling of various natural resources.
- g) The R&D demonstration projects for Manufacture of THF, DMC, NEM, NMM, NMMO and MIPA were undertaken during the year by your company.
- h) After successful development of the process (es), the pilot plant-cum-demonstration plants shall be taken up for implementation.

15. EXPANSION/DIVERSIFICATION

- a) Your company has been allotted 90 Acres of Land at MIDC, Chincholi and the Maharashtra state Government has accorded "Mega Project" Status for this new Project.
- b) The Environment clearances and consent for establishment have been obtained for several products.

DIRECTORS REPORT (Contd.)

- c) During the year, we have spent an amount of ₹ 9509.54 Lacs towards Phase-I of Greenfield Project for Manufacture of Ethylamines, total capex till 21/05/2021 is approximately ₹ 16,472.88 Lacs with a capacity of 50TPD and the plant commenced commercial production on 21/05/2021.
- d) For all other Plants, such as DMC, ACN, and Methylamines etc the detailed engineering and procurement of Equipment is in progress.
- e) DMC Plant is expected to be commencing production by the end of 2021-22.

16. CHANGE IN NATURE OF BUSINESS

There is no change in the nature of business during the year.

17. MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial position of your Company have occurred after the closure of 2020-21 till the date of this Report.

18. REMUNERATION POLICY

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors and Senior Management personnel and fix their remuneration. The Remuneration Policy is posted on the website of the Company at the link: www.balajiamines.com/investor-relations.

19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013, are given in the notes to the Financial Statements.

20. ANNUAL RETURN

The Annual Return of the Company as on 31st March, 2021 is available on the Company's website and can be accessed at www.balajiamines.com/investor-relations.

21. PARTICULARS OF EMPLOYEES

In term of the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in 'Annexure III' to this report.

22. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has in place proper and adequate internal control systems commensurate with the nature of its business, size and complexity of its operations. Internal

control systems comprising of policies and procedures designed and implemented to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations, and that all assets and resources acquired are used optimally.

23. STATUTORY AUDITORS

M/s. Ayyadevara & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company for a period of 5 Years from the Conclusion of 29th Annual General Meeting of the Company till the conclusion of 34th Annual General Meeting of the Company subject to ratification by members in every Annual General Meeting. However, by the companies (Amendment) Act, 2017, provisions pertaining to ratification of appointment of Statutory Auditor has been done away, with effect from 7th May, 2018. Hence, the agenda for ratification of appointment of M/s. Ayyadevara & Co., Chartered Accountants, as Statutory Auditors is not necessary.

The Independent Auditors report given by M/s. Ayyadevara & Co., Chartered Accountants, the Statutory Auditors of the Company on standalone and consolidated Financial Statements of the Company does not contain any qualification, reservation or adverse remark.

24. REPORTING OF FRAUDS

During the year under review, there was no instance of fraud, which required the Statutory Auditors to report to the Audit Committee and /or Board under Section 143(12) of the Companies Act, 2013 and the rules made thereunder.

25. INTERNAL AUDITORS

The Board of Directors based on the recommendation of the Audit Committee have re-appointed M/s. Aherkar & Co, Chartered Accountants, Solapur, as the Internal Auditors of your Company. The Internal Auditors are submitting their reports on monthly basis.

26. COST AUDITORS

In accordance with Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014, the Audit Committee has recommended and the Board of Directors had appointed Mr. N.V.S. Kapardhi, Practicing Cost Accountants, Hyderabad, as Cost Auditors of the Company, to carry out the cost audit of the products manufactured by the Company during 2021-2022 on a remuneration of ₹ 75,000/- (Rupees Seventy Five Thousand only). The remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their approval. Accordingly, a Resolution seeking Members' approval for the remuneration payable to Mr. N.V.S. Kapardhi, Cost Accountants, is included at Item No. 4 of the Notice convening the Annual General Meeting.

DIRECTORS REPORT (Contd.)**27. SECRETARIAL AUDITORS & SECRETARIAL AUDIT REPORT**

Pursuant to provisions of Section 204 of the Companies Act, 2013, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Board has appointed M/s. P. S. Rao & Associates, Practicing Company Secretaries, to conduct Secretarial Audit for 2020-21. The Secretarial Audit Report, pursuant to Section 204(1) of the Companies Act, 2013, for the financial year ended 31st March, 2021 is given in 'Annexure IV' attached hereto and forms part of this Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark on the Company. However Secretarial Auditors have given their observation as below:

"Registration of one of the Independent Directors of the Company in the Independent Directors Data Bank has not been done during the window period provided by Ministry of Corporate Affairs"

Reply to Observation in secretarial Audit Report:

Due to inadvertence and oversight the registration of one of the Independent Directors of the Company was not made during the window period provided by the Ministry of Corporate Affairs. The window for registration is expected to be made available and the Independent Director shall register in the Independent Directors Data Bank.

The Annual Secretarial Compliance Report issued by M/s. P.S. Rao & Associates, Company Secretaries pursuant to SEBI circular dated February 8, 2019 is forming part of the Corporate Governance Report.

28. VIGIL MECHANISM

The Company has formulated a Whistle Blower Policy in terms of Section 177 of the Companies Act, 2013, and as per Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 for the employees to report their grievances / concerns about instances of unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct by means of Protected Disclosure to the Authorised Officer or the Chairman of the Audit Committee.

The vigil mechanism / whistle blower policy may be accessed on the Company's website at the link: www.balajiamines.com/investor-relations

29. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARRINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies

Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith as 'Annexure V'.

30. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY

All related party transactions that were entered into during the financial year were at an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

During the year, all Related Party Transactions were placed before the Audit Committee and also to the Board for approval. Prior omnibus approval of the Audit Committee was obtained for the transactions which were of a foreseen and repetitive nature.

The Policy on Related Party Transactions as approved by the Board of Directors of the Company is uploaded on the website of the Company and the same can be accessed at the link: www.balajiamines.com/investor-relations

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013, in Form AOC-2 and disclosures under Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed as 'Annexure VI' to this report.

31. RISK MANAGEMENT

The Company has constituted a Risk Management Committee and formulated a policy on the Risk Management in accordance with the Companies Act, 2013 and Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report. The Risk Management Policy of the Company is posted on the website of the Company and the web link <http://www.balajiamines.com/investor-relations>

32. CORPORATE SOCIAL RESPONSIBILITY

The Board in compliance with the provisions of Section 135(1) of the Companies Act, 2013, and rules made thereunder has constituted CSR Committee with Mr. Kashinath R. Dhole, Independent Director, Mr. D. Ram Reddy, Managing Director and Mr. N. Rajeshwar Reddy, Joint Managing Director of the Company as its Members. The CSR policy has been placed on the Website of the Company and can be accessed through the link: www.balajiamines.com/investor-relations and a brief outline of the CSR Policy and the CSR initiatives undertaken by the Company during the year are mentioned in Annual Report on Corporate Social Responsibility (CSR) activities in the **Annexure VII**, which forms part of this report.

DIRECTORS REPORT (Contd.)**33. FIXED DEPOSITS**

Your Company has not accepted any fixed deposits and as such no principal or interest was outstanding as on the date of the Balance Sheet.

34. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S OPERATIONS IN FUTURE

There are no significant and material orders passed by the regulators or courts or tribunals that would impact the going concern status of the Company and its future operations.

35. MANAGEMENT DISCUSSION & ANALYSIS

The Management Discussion and Analysis as required under Schedule V of the Listing Regulations forms is shown in separate section forming part of the Annual Report.

36. COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review your Company has complied with the respective Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings, General Meetings and Dividend.

37. EMPLOYEE STOCK OPTIONS:

During the FY 2020-21, Company has obtained shareholders approval for implementation of "Balaji Amines Limited Employee Stock Option plan -2020" (ESOP2020).

Company is yet to implement the ESOP Scheme.

38. BUSSINESS RESPONSIBILITY REPORT

Business responsibility reporting for the year under review, as required to be reported under Regulation 34(2) (f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is shown in separate section forming part of the Annual Report.

39. CORPORATE GOVERNANCE

Your Company practices a culture that is built on core values and ethical governance practices and is committed to transparency in all its operations and activities. A Report on Corporate Governance along with a Certificate from the Statutory Auditors of the Company regarding compliance with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The report on Corporate Governance for the Year ended March 31, 2021 is shown in separate section forming part of the Annual Report.

40. HUMAN RESOURCES

Your Company considers its Human Resource as the major strength to achieve its objectives. Keeping this in view, your Company takes all the care to attract, train and retain well qualified and deserving employees. The employees are sufficiently empowered and enabled to work in an environment that inspires them to achieve higher levels of performance. The unflinching commitment of the employees is the driving force behind fulfilling the Company's vision. Your Company appreciates the contribution of its dedicated employees during this pandemic.

41. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed of during the year:

No. of Complaints received: Nil

No. of Complaints disposed of: Nil

42. LISTING WITH STOCK EXCHANGES :

The Equity Shares of the Company are listed on NSE Limited and BSE Limited. The annual listing fees for the years 2021-22 have been paid to these exchanges.

43. ACKNOWLEDGMENT

Your Directors express their sincere appreciation to the customers, members, dealers, employees, bankers, State and Central Government, Stock Exchanges and all the stakeholders for their co-operation and confidence reposed in the Company.

For **and on Behalf of the Board of Directors**

Sd/-

A. Prathap Reddy

Executive Chairman

DIN: 00003967

Date: 24th May, 2021

Place: Secunderabad

ANNEXURES TO THE DIRECTORS' REPORT

ANNEXURE-I

DIVIDEND DISRIBUTION POLICY

1. Background and applicability

The Dividend Distribution Policy (hereinafter referred to as the "Policy") has been developed in accordance with the applicable provisions of the Companies Act, 2013 and applicable SEBI regulations.

The Securities and Exchange Board of India ("SEBI") vide its Gazette Notification dated July 08, 2016 has amended the Listing Regulations by inserting Regulation 43A in order to make it mandatory to have a Dividend Distribution Policy in place by the top five hundred listed companies based on their market capitalisation calculated as on the 31st day of March of every year and to disclose a Dividend Distribution Policy in the annual report and on the corporate website.

The Board of Directors (the "Board") of Balaji Amines Limited (the "Company") has adopted the Policy of the Company as required in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Company currently has only one class of shares, viz. equity, for which, this policy is applicable. The policy is subject to review if and when the Company issues different classes of shares.

2. Dividend distribution philosophy

The Company is committed to driving extraordinary value creation for all its stakeholders. The focus is to continue to provide sustainable returns, through an appropriate capital strategy for both medium term and longer term value creation. Accordingly, the Board would continue to adopt a progressive and dynamic dividend policy, ensuring immediate as well as long term needs of the business considering wealth maximisation as a philosophy.

3. Dividend

Dividend represents part of the profits of the Company, which is distributed to shareholders in proportion to the amount paid-up on shares they hold. Dividend includes Interim Dividend.

The Dividend for any financial year shall normally be paid out of the Company's profits for that year. This will be arrived at after providing for depreciation in accordance with the provisions of the Companies Act, 2013. If circumstances require, the Board may also declare dividend out of accumulated profits of any previous financial year(s) in accordance with provisions of the Act and Regulations, as applicable.

4. Circumstances under which shareholders can expect Dividend

The Board will assess the Company's financial requirements, including present and future organic and inorganic growth opportunities and other relevant factors (as mentioned elsewhere in this policy) and declare Dividend in any financial year.

Notwithstanding the above, the shareholders of the Company may not expect Dividend under the following circumstances:

- Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital expenditure
- Significantly higher working capital requirements which may adversely impacting free cash flow during that period
- Whenever it undertakes any acquisition or joint ventures requiring significant Allocation of capital
- In the event of inadequacy of profit or whenever the Company has incurred losses

5. Interim and Final Dividend

The Board may declare one or more Interim Dividends during the year. Additionally, the Board may recommend Final Dividend for the approval of the shareholders at the Annual General Meeting. The date of the Board meeting in which the Dividend proposal is being considered, will be informed to the stock exchanges, as required by Listing Regulations.

6. Financial parameters and other internal and external factors that would be considered for declaration of Dividend:

- Distributable surplus available as per the Act and Regulations
- The Company's liquidity position and future cash flow needs
- Track record of Dividends distributed by the Company
- Payout ratios of comparable companies
- Prevailing Taxation Policy or any amendments expected thereof, with respect to Dividend distribution
- Capital expenditure requirements considering the expansion and acquisition opportunities
- Cost and availability of alternative sources of funds.
- Macroeconomic and business conditions in general which may impact the cashflows.

ANNEXURES TO THE DIRECTORS' REPORT (Contd.)

- Providing for unforeseen events or contingency with financial implications
- Any other relevant factors that the Board may deem fit to consider before declaring a Dividend

7. Utilisation of retained earnings

Subject to applicable regulations, the Company's retained earnings shall be applied for:

- ✓ Funding inorganic and organic growth needs including working capital, capital expenditure, repayment of debt, etc

- ✓ Buyback of shares subject to applicable limits as per the Act and Regulations
- ✓ Payment of Dividend in future years
- ✓ Issue of Bonus shares
- ✓ Any other permissible purpose

8. Modification of the Policy

The Policy will be reviewed periodically by the Board. The Board is authorised to change/amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Companies Act, 2013, or the SEBI Regulations, etc.

ANNEXURES TO THE DIRECTORS' REPORT (Contd.)

ANNEXURE - II

FORM AOC - 1

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES.

[Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

PART A : SUBSIDIARIES

Sr. No.	Particulars	Details
1.	Name of the subsidiary	Balaji Speciality Chemicals Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st March, 2021 (Same as Holding Company)
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
4.	Share Capital	₹ 40,00,00,000
5.	Reserves & Surplus	₹ 40,23,53,639
6.	Total Assets	₹ 3,04,63,95,329
7.	Total Liabilities	₹ 2,24,40,41,690
8.	Investments	-
9.	Turnover	₹ 1,80,50,42,336
10.	Profit / Loss before taxation	₹ 16,62,41,942
11.	Tax Expense Net of Deferred Tax Asset	₹ 4,83,96,109
12.	Profit/Loss after taxation	₹ 11,78,45,833
13.	Proposed Dividend	Nil
14.	% of Shareholding	55%

- Names of subsidiaries which are yet to commence operations: Not Applicable
- Names of subsidiaries which have been liquidated or sold during the year: Not Applicable

PART B: ASSOCIATE AND JOINT VENTURES

Not Applicable

As per our report of even date
For **M/s. Ayyadevara & Co.**
Chartered Accountants,
FRN 000278S

Sd/-
Srinivas Ayyadevara
Proprietor
ICAI Membership No. 028803

For and on behalf of the Board of Directors

Sd/-
A. Prathap Reddy
Executive Chairman
DIN: 00003967

Sd/-
G. Hemanth Reddy
Whole-time Director & CFO
DIN: 00003868

Sd/-
D.Ram Reddy
Managing Director
DIN: 00003864

Date: 24th May, 2021
Place: Secunderabad/Solapur

ANNEXURES TO THE DIRECTORS' REPORT (Contd.)**ANNEXURE - III****REPORT ON MANAGERIAL REMUNERATION**

[As per Section 197 of the Companies Act, 2013, Read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

(A) Details pertaining to remuneration as required under Section 197 (12) of the Companies Act, 2013, read with Rule 5(1) of the (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary, ratio of the remuneration of each Director to the median remuneration of the employees of the Company and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Name	Designation	Remuneration of Director KMP for the financial year 2020-2021* (amount in ₹)	Ratio of Remuneration of each Director to median remuneration of employees	% increase in Remuneration in the financial year 2020-2021
Mr. A. Prathap Reddy	Executive Chairman	52,60,800	23.49	3.23
Mr. D. Ram Reddy	Managing Director	44,38,800	19.82	3.85
Mr. N. Rajeshwar Reddy	Joint Managing Director	44,38,800	19.82	3.85
Mr. G. Hemanth Reddy	Whole-time Director & CFO	44,38,800	19.82	3.85
Mr. A. Srinivas Reddy	Whole-time Director	39,45,600	17.62	4.35
Mrs. Jimisha Parth Dawda (Till 21st January, 2021)	Company Secretary & Compliance Officer	6,84,993	3.05	10.77

*Remuneration excludes Commission paid to the Directors as a % of Profits

- ii. The median remuneration of employees' of the Company during the financial year was ₹ 2,23,956/-
- iii. The percentage increase in the median remuneration of employees in the financial year ending 31st March, 2021 is 16%
- iv. There were 818 permanent employees on the rolls of Company as on 31st March, 2021
- v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and Justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average annual increase across the organisation was 20%. However, the total increase was 25% after accounting for promotions and corrections.

There were no exceptional circumstances for increase in the managerial remuneration The Company affirms that remuneration to the Directors and Key Managerial Personnel is as per the remuneration policy of the Company.

(B) Statement of Particulars of top 10 Employees to Provisions of Rule 5 (2) of Section 197 (12) of the Companies Act 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Name and Designation	Nature of Employment	Qualifications Experience and age of the Employee	Date of Commencement of Employment	The Last Employment held before Joining the Company	Remuneration for 2020-21 (in ₹)	Whether employee is relative of any director or Manager of the Company
1.	Mr. A. Prathap Reddy Executive Chairman	Contractual	He is a Civil Engineer by Qualification; He has over 46 Years of experience across varied industries. (Age - 70 Years)	27th October, 1988	Nil	10,33,16,625	1. Father of Mr. A. Srinivas Reddy 2. Father-in-Law of Mr. G. Hemanth Reddy 3. Uncle of Mr. D. Ram Reddy
2.	Mr. D. Ram Reddy Managing Director	Contractual	He has over 36 years of experience in varied industries. (Age - 60 Years)	15th January, 1989	Nil	6,88,77,750	1. Nephew of Mr. A. Prathap Reddy 2. Cousin of Mr. A. Srinivas Reddy

ANNEXURES TO THE DIRECTORS' REPORT (Contd.)

Sr. No.	Name and Designation	Nature of Employment	Qualifications Experience and age of the Employee	Date of Commencement of Employment	The Last Employment held before Joining the Company	Remuneration for 2020-21 (in ₹)	Whether employee is relative of any director or Manager of the Company
3.	Mr. N. Rajeshwar Reddy Joint Managing Director	Contractual	He holds a Bachelor's degree in Commerce and has over 41 years of experience across varied industries. (Age - 66 Years)	27th October, 1988	Nil	6,88,77,750.00	1. Brother-in-Law of Mr. G. Hemanth Reddy
4.	Mr. A. Srinivas Reddy Whole-time Director	Contractual	He is a Post Graduate in Computer science & an MBA. He has worked as project manager on multiple projects at large fortune 100 US companies including Sprint, Goodyear, Agilent technologies, Cummins Inc, etc. (Age - 45 Years)	11th May, 2013	Nil	6,88,77,750.00	1. Son of Mr. A. Prathap Reddy 2. Brother-in-Law of Mr. G. Hemanth Reddy 3. Cousin of Mr. D. Ram Reddy
5.	Mr. G. Hemanth Reddy Whole-time Director & CFO	Contractual	He is a post graduate in management with Finance & Marketing as specialisation having more than 31 years of experience spread across various businesses. (Age - 55 Years)	28th July, 2008	Bhagyanagar Woodplast Limited	3,44,38,875.00	1. Son-in-Law of Mr. A. Prathap Reddy 2. Brother-in-Law of Mr. N. Rajeshwar Reddy 3. Brother-in-Law of Mr. A. Srinivas Reddy
6.	Mr. Govind Raybhanrao Menchekare (DGM - Production)	On Roll	He holds a Bachelor's Degree {B.Sc. -Tech. (Petrochemical)} and he has over 26 years experience in Chemicals Production. (Age - 46 Years)	24th January, 1996	NA	21,77,995.00	No
7.	Mr. Roopavathram Subba Sastry (DGM - Services)	On Roll	He is a Post Graduate in Instrumentation (M.Sc - Instrumentation) and he has over 25 years experience in Electrical Instrumentation & Maintenance (Age - 54 Years)	1st July, 1996	NA	20,80,201.00	No
8.	Mr. Rajeshwar Reddy Kishta Reddy Baddam (DGM - Qc & QA)	On Roll	He is a Post Graduate in Science (M. Sc.) and he has over 28 years experience in Quality Control & Quality Assurance. (Age - 61 Years)	15th May, 1990 to 30th June, 2020	NA	9,10,909.00	No
		Contractual		Contractual date: 01st July, 2020 to 30th June, 2021	NA	10,87,692.00	No
9.	Mr. SureshBabu Satyanarayana Vuppula (DGM - Services)	On Roll	He is a Post Graduate in Engineering Physics & Instrumentation (M.Sc - Engineering Physics & Instrumentation) and he has over 30 years experience in Electrical & Instrumentation. (Age - 53 Years)	8th July, 1991	NA	19,50,430.00	No

ANNEXURES TO THE DIRECTORS' REPORT (Contd.)

Sr. No.	Name and Designation	Nature of Employment	Qualifications Experience and age of the Employee	Date of Commencement of Employment	The Last Employment held before Joining the Company	Remuneration for 2020-21 (in ₹)	Whether employee is relative of any director or Manager of the Company
10.	Mr. Nilesh Jadhav (VP-Production)	On Roll	He holds a Bachelor's Degree (B.E chemicals) & Executive Management from IIT Bangalore and he has over 25 years experience in Chemicals Operation, Technical Services & Project Management. (Age - 50 Years)	6th January, 2021	Deepak Fertilisers and Petrochemicals Corporation Limited	11,41,251.00	No

- I. There were no other employees drawing remuneration of ₹ 8.50 Lacs p.m or above / ₹ 102 Lacs p.a or above whether employed
- II. throughout or part of the financial year No employees are covered under rule 5(2)(iii) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
- III. The Remuneration of top 5 employees includes commission on profits.

For and on Behalf of the Board of Directors

Sd/-

A. Prathap ReddyExecutive Chairman
(DIN: 00003967)**Date:** 24th May, 2021**Place:** Secunderabad

ANNEXURES TO THE DIRECTORS' REPORT (Contd.)

ANNEXURE - IV

FORM NO MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 and the Rule 9 of the companies (Appointment and remuneration of managerial personnel) Rule, 2014]

To,
The Members,
Balaji Amines Limited
Solapur

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Balaji Amines Limited, (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made thereunder;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:-
 - a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
3. The industry specific major laws that applicable to the Company are
 - a) Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 under the Environment (Protection) Act, 1986;
 - b) Food Safety And Standards Act, 2006
 - c) Petroleum Act 1934
 - d) Poisons Act 1919
 - e) The Indian Copyright Act, 1957
 - f) The Patents Act, 1970
 - g) The Trade Marks Act, 1999
 - h) The Indian Boilers Act, 1923
 - i) The Explosives Act 1983
 - j) Manufacture Storage and Import of Hazardous Chemical Rules, 1989
 - k) Public Liability Insurance Act, 1991

ANNEXURES TO THE DIRECTORS' REPORT (Contd.)

4. We have also examined compliance with the applicable clauses of the following:

- (a) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (b) Secretarial Standards issued by the Institute of Company Secretaries of India and notified under the Act

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to our comments below:

Registration of one of the Independent Directors of the Company in the Independent Directors Data Base has not been done during the window period provided by MCA

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

The Company is in the process of appointing Company Secretary and Compliance officer (KMP). As per the provisions of Section 203 of Companies Act, 2013. Company has time till 20th July, 2021 to fill the vacancy of office of KMP.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Company has not undertaken any event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**For P.S. Rao & Associates
Company Secretaries**

Sd/-

P S Rao

Partner

M. No. F10322

C P No: 3829

Place: Hyderabad

Date: 22nd May, 2021

UDIN: F010322C000358428

Note: This report is to be read with our letter of even date which is annexed as 'Annexure-A' and forms an integral part of this report.

ANNEXURES TO THE DIRECTORS' REPORT (Contd.)

ANNEXURE A

To,
The Members,
Balaji Amines Limited
Solapur

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. In view of the limitations imposed during the lockdown of the State Governements due to the pandemic spread of the COVID-19 disease, the audit was conducted based on the information and documents provided by the management of the Company.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For P.S. Rao & Associates
Company Secretaries

Sd/-
P S Rao
Partner
M. No. F10322
C P No: 3829

Place: Hyderabad
Date: 22nd May, 2021
UDIN: F010322C000358428

ANNEXURES TO THE DIRECTORS' REPORT (Contd.)**ANNEXURE - V****CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

[Pursuant to section 134 (3) (m) of The Companies Act, 2013, read with Rule 8 (3) of The Companies (Accounts) Rules, 2014]

A. CONSERVATION OF ENERGY**a. The steps taken or impact on conservation of energy:**

The Company has an excellent team of professionals and Industry specialists as retainers, who are responsible for improving energy conservation. The team implements the latest trends, developments & technologies available in conserving energy across all the units.

The areas of conservation of energy are:

1. Low cost of power and Steam generation & optimum recovery of energy by synchronisation.
2. Water conservation and waste water utilisation by various methods.
3. Recovery of energy from the process.
4. Use of Dry Air Cooled Condensers and Chillers.
5. Deploying various power generation equipment in the plants resulting in lower overall cost of power.
6. Use of additional effluent concentration systems to reduce MEE loads
7. Deploying of additional innovative solutions at cooling towers to reduce consumption of water.

b. Steps taken by the Company for utilizing alternate sources of energy

The Company has 415KW solar power plant at Unit 3, Chincholi apart from 50KVA at its registered office. The Company continues to explore additional opportunities for alternative sources of energy in other areas that have both environmental as well as financial benefits.

c. The Capital investment on energy conservation equipment

The Company has implemented various energy conservative measures, which has resulted in reducing energy costs and improving efficiency of various plants.

- a) Optimizing the usage of energy efficient pumping systems.
 1. Waste Water recovery system through High Pressure processing system.

2. Deployment of latest Effluent Treatment System in addition to existing ETP unit at Unit 1, Tamalwadi. The same will allow for lower cost of effluent processing cost.
3. Various kinds of power generation systems deployed at plants reducing overall cost of power.

Impact of the above measures are:

1. Free power to part of the offices as well as Chincholi Manufacturing site through solar unit.
2. Sustainable usage of water resources.
3. Reduced power cost at process plants due to power generation equipment deployment.
4. The overall reduction of energy costs and also efficiency of various plants has been improved.
5. Reduced cost of effluent treatment at Tamalwadi Site.
6. Lower wastage of water via RO reject (and subsequent processing in multiple effect evaporator).
7. Reduced cooling costs due to deployment of more efficient condensers and chillers.

B) TECHNOLOGY ABSORPTION

- i. Efforts made towards technology absorption: Through the R&D initiatives new products/processes developed, involves usage of latest technology, process and methods. The R & D team has been continuously working on improving existing manufacturing processes and changes proposed have been implemented in production.
- ii. The Benefits derived like product improvement, cost reduction,
 - a) Impact on Environment is minimised
 - b) Process Time and cost reduced substantially
- iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – Not Applicable
- iv. **Particulars with Respect to Research and Development**
 1. Specific Areas in which the Company Carries out R&D

ANNEXURES TO THE DIRECTORS' REPORT (Contd.)

- a) Improved process of Aliphatic Amines manufacture
- b) Better treatment and managing of effluents from various plants
- c) Improve product quality of existing product portfolio as per customer requirements through R&D pilot trials
- d) Improvement of processes in existing plants
- e) Test out various new catalysts for existing products for identifying replacement catalysts with better performance on all metrics

2. Benefits Derived

- a) Impact on Environment is minimised
- b) Process Time and cost reduced substantially
- c) Overall performance of the Company has been satisfactory and operating at a high scale of operations and optimum utilisation of resources

3. Future Course of Action

- a) Continuous improvement of processes and fine tuning process parameters to optimize utilisation of energy, utilities and consumption of raw materials
- b) Greater importance for both Backward & Forward integration of product lines for better realisation and value addition

- c) Continued emphasis on identifying new products / processes through in house R&D center.

4. Expenditure on R&D

- a) Capital in nature: NIL
- b) Revenue Lacs: ₹ 94.41 Lacs

5. Technology Absorption, Adoption and Innovation Efforts Made

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

C) Foreign Exchange Earnings and Outgo

(₹ in Lacs)		
Particulars	2020-21	2019-20
Foreign Exchange Earned	17,796.84	18,195.48
Foreign Exchange Outgo	20,664.70	13,470.23

For and on Behalf of the Board of Directors

Sd/-

A. Prathap Reddy
Executive Chairman
(DIN: 00003967)

Date: 24th May, 2021**Place:** Secunderabad

ANNEXURES TO THE DIRECTORS' REPORT (Contd.)**ANNEXURE - VI****FORM NO AOC -2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis-

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2021, which were not at arm's length basis.

2. Details of contracts or arrangements or transactions at arm's length basis-

The details of contracts or arrangements or transactions at arm's length basis for the year ended 31st March, 2021, are as follows:

Note: As per provisions of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 none of the above mentioned transactions are material in nature.

Name(s) of the related party	Nature of relationship	Nature of Transaction	Transaction Value	Duration of Transaction	Salient terms of Transaction	Date of approval by the Board	Amount paid in advance
Balaji Speciality Chemicals Private Limited	Company in which the Enterprise is substantially interested, by holding 55% of shares in the total paid up share capita	a. Sales	₹ 79,88,20,134/-	1 Year	Based on Transfer Pricing Guidelines	22nd June, 2020	Nil
		b. Purchase	₹ 16,94,65,939/-				
Balaji Speciality Chemicals Private Limited	A Co-ownership in which Directors and their relatives are interested.	Rent Receipt	₹ 60,000/-	3 Years	Lease agreement for office given on monthly rental ₹ 5000	14th May, 2018	Nil
KPR House / Family Trust		Rent Payment	₹ 4,96,000/-	3 Years (Upto December, 2020)	Lease agreement for office building given on rent of ₹ 62,000/-	14th May, 2018	Nil
Thirumala Precicasts Pvt. Ltd.	A Company in which Directors are interested	Rent Receipt	₹ 3,34,115/-	3 Years	Lease agreement for office given on monthly rental of ₹ 25,000	28th October, 2020	Nil
MVL Medisynth Pvt. Ltd. a. Sales	A Company in which Directors are interested	a. Sales	₹ 3,15,17,436/-	1 Year	Based on Transfer Pricing guidelines	8th February, 2021	Nil
		b. Purchase	₹ 15,88,104/-				

For and on Behalf of the Board of Directors

Sd/-

A. Prathap Reddy

Executive Chairman

DIN: 00003967

Date: 24th May, 2021**Place:** Secunderabad

ANNEXURES TO THE DIRECTORS' REPORT (Contd.)

Particulars of loans/advances, etc. pursuant to Para A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sr. No.	In the Accounts of	Disclosure of amounts at the year end and the Maximum amount of loans/ Advances/Investments outstanding during the year
1	Balaji Amines Limited	Loans and Advances in the Nature of loans to subsidiary company Balaji Speciality Chemicals Private Limited: ₹ 77,34,76,847/-

There are no transactions entered into between the Company with any person or entity belonging to the promoter/promoter group or more shareholding in the Company.

For and on Behalf of the Board of Directors

Sd/-

A. Prathap Reddy

Executive Chairman

DIN: 00003967

Date: 24th May, 2021

Place: Secunderabad

ANNEXURES TO THE DIRECTORS' REPORT (Contd.)**ANNEXURE - VII****ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES****1. A brief outline of the Company's CSR policy, including overview of projects or programs completed and proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

To operate its business in a sustainable manner respecting the society & the environment, while recognizing the interests of all its stakeholders.

To also take up directly or indirectly programmes that will benefit the communities in and around its factories, which will, over a period of time enhance the quality of life and economic well being of the local residents.

Through assisted programmes, services and through its CSR initiatives, BAL will generate community goodwill and create a partnership with all stake holders of the region as a socially responsible corporate. The CSR Policy including a brief overview of the projects or programs undertaken can be accessed at the Company's website through the Web-link: <http://www.balajiamines.com/corporate-social-responsibility>

2. Composition of the CSR Committee:

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings held during the year	Number of meetings of CSR Committee attended during the year
1	Kashinath R. Dhole	Chairman- Non executive Independent Director	4	4
2	N. Rajeshwar Reddy	Member- Joint Managing Director	4	4
3	D. Ram Reddy	Member- Managing Director	4	4

3. Web link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company <http://www.balajiamines.com/investor-relations>**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report)- Not applicable****5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
		Nil	

6. Average net profit of the Company as per section 135(5):

Average net profit: ₹ 1,64,06,74,155/-

7 a) Two percent of average net profit of the Company as per section 135(5)

The Company is required to spend towards CSR activities: ₹ 3,28,13,483/-

b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years NIL.

c) Amount required to be set off for the financial year, if any: NIL

d) Total CSR obligation for the financial year (7a+7b-7c):- ₹ 3,28,13,483/-

8 (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
3,74,06,381.00	N A	N A	N A	N A	

b) Details of CSR amount spent against ongoing projects for the financial year: (Not Applicable)

ANNEXURES TO THE DIRECTORS' REPORT (Contd.)

c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the project		Amount Spent for the project (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through implementing Agency	
				State	District			Name	CSR Registration Number
1.	Improving health conditions & medical facilities in various villages of Maharashtra by constructing toilets, water collection system, Providing Drinking water RCC Tanks, RO Plants, dustbins, Providing medical aid, contributing towards PM care fund and other contributions towards COVID-19 pandemic etc.	Health Care	Yes	Maharashtra	Mohol Taluka, Solapur District and Osmanabad District	2,16,74,844	Yes	-	-
2.	Enhancing the state of educational institutions by constructing necessary infrastructure for schools and providing Computers/Laptops, inverters, printers, benches, books (including competitive exams and Library books), stationery, Lab Equipments & Other relevant materials. Educational Aid and encouragement to needy students for studies or any other activities of their interest.	Promoting Education	Yes	Telangana And Maharashtra	Chikkadapally, Hyderabad and Solapur District, Osmanabad District	67,62,387	Yes	-	-
3.	Promoting Road safety, Cleanliness under Swach Bharat Abhiyan	Social Welfare	Yes	Maharashtra	Osmanabad District	19,000	Yes	-	-
4.	Installation of LED Street Lights, Deepening and Widening Nalla under Jaluk Shivar Abhiyan Construction of Storage Units, Drying platform, Multipurpose hall, Installation of Solar street Lights, Road Maintenance activity.	Rural Development	Yes	Telangana And Maharashtra	Nizampet Mandal Of Medak District and Solapur District, Osmanabad District	77,84,059	Yes	-	-
5.	Providing necessary Infrastructure for sports activities, providing sports equipment	Promoting Sports	Yes	Maharashtra	Solapur District	2,30,837	Yes	-	-
6.	CSR Administrative Expenses	CSR Administrative Expenses	Yes	Maharashtra	Solapur District	9,35,254	Yes	-	-
	Total					3,74,06,381	Yes		

d) Amount spent in Administrative Overheads:- ₹ 9,35,254

e) Amount spent on Impact Assessment, if applicable:- Not Applicable

f) Total amount spent for the Financial Year :- ₹ 3,74,06,381/-

Excess amount for set off, if any

Sr. No.	Particular	Amount (in ₹)
1.	Two percent of average net profit of the company as per	3,28,13,483.00
2.	Total amount spent for the Financial Year	3,74,06,381.00
3.	Excess amount spent for the financial year [(ii)-(i)]	45,92,897.00
4.	Surplus arising out of the CSR projects or programmes or	0.00
5.	Amount available for set off in succeeding financial years	45,92,897.00

ANNEXURES TO THE DIRECTORS' REPORT (Contd.)

9 (a) Details of Unspent CSR amount for the preceding three financial years : Not Applicable

9 (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the : Not Applicable

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and policy of the Company.

Date: 24th May, 2021
Place: Secunderabad/Solapur

Sd/-
Kashinath R. Dhole
Chairman - CSR Committee
DIN: 01076675

Sd/-
A. Prathap Reddy
Executive Chairman
DIN: 00003967

MANAGEMENT DISCUSSION AND ANALYSIS

Global Economy

The slowdown of 2019 owing to the US-China trade war, Brexit concerns and crises in Asia and Africa, was aggravated by the COVID-19 outbreak of early 2020. Protecting lives from the pandemic required lockdowns and isolation. But at the end, people learnt to cope, adapt and move on, sending a vibe of hope and positivity the world over.

For the global economy, 2020-21 was an unprecedented one. The year started with economic slowdowns, rising global crude prices and inflation in some economies, only to be further dampened by the COVID-19 outbreak. It literally put brakes on the economic growth owing to staggered lockdowns across economies, restricting cross-border transaction and movement, eventually leading a major technical recession post the Great Depression of 1929. The pandemic has not only caused economic losses, but also cost millions of lives. The governments and respective central banks have tried to provide financial cushion to fight the pandemic by injecting liquidity and cutting interest rates. During such tumultuous times, the International Monetary Fund (IMF) also extended some relief to 83 countries by providing US \$100-Bn assistance.

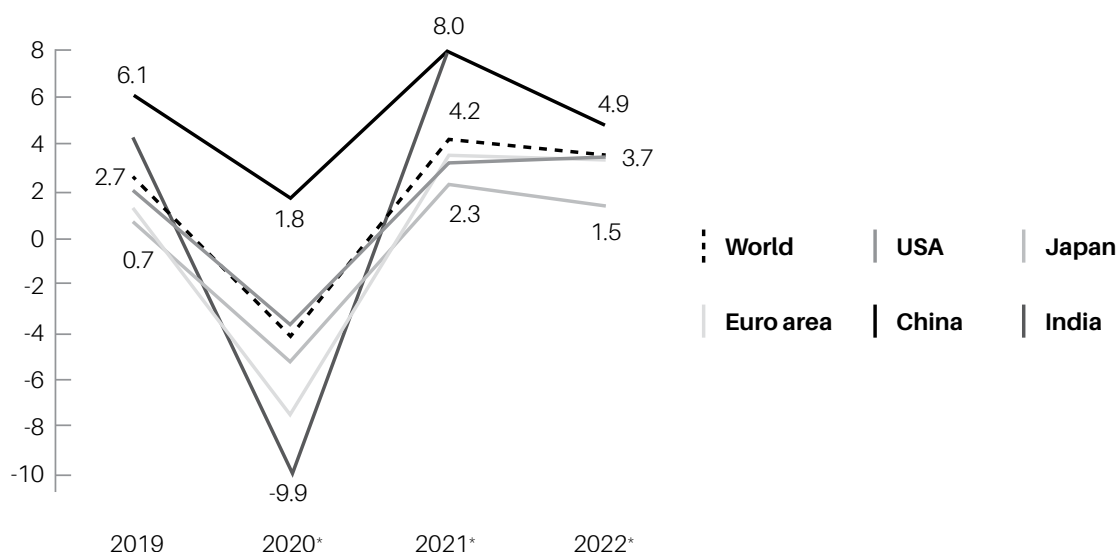
The slowdown also brought about drastic changes in crude prices. There was a sudden downturn in the global crude prices in the first half of 2020-21, but it started recovering once the lockdowns were being lifted. In such a year of volatility, there were continuing trade tension between US and China, which induced economic pain on both the sides and even some other economies, owing to the disruption in trade flows.

In the second half, there was a decline in the number of COVID-19 infections the world over. The change in the US Presidency was another marquee highlight for the year. The subsequent roll-out of vaccines, brought back some uptick in demand. However, despite some economies taking a few bold measures, the global economy contracted by 3.5% in 2020, i.e. 0.9% higher than the earlier projections, as per the data released by the International Monetary Fund (IMF). Since the outbreak of the pandemic, China was the first economy off the hooks to post positive GDP growth numbers for their third quarter (July-September) in 2020. There was an apparent domino impact on the investor confidence, which witnessed a decline in Foreign Direct Investments (FDIs) by 42% in 2020, over 2019, constituting to a decrease from US \$1.5 trillion to an estimated US \$859 Bn for the corresponding period. The strength of the recovery is projected to vary significantly across countries, depending on access to medical interventions and effectiveness of policy support. Also, many undeveloped countries ended on high debts because of the pandemic.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2021/01/26/2021-world-economic-outlook-update>

<https://unctad.org/news/global-foreign-direct-investment-fell-42-2020-outlook-remains-weak>)

Estimated Global GDP Growth (%)



(Source: <https://www.dw.com/en/covid-vaccine-coronavirus-global-economic-recovery-for-2021/a-55775341>)

*Forecast

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

For the global economy, 2020-21 was an unprecedented one. The year started with economic slowdowns, rising global crude prices and inflation in some economies, only to be further dampened by the COVID-19 outbreak. It literally put brakes on the economic growth owing to staggered lockdowns across economies, restricting cross-border transaction and movement, eventually leading a major technical recession post the Great Depression of 1929. The pandemic has not only caused economic losses, but also cost millions of lives. The governments and respective central banks have tried to provide financial cushion to fight the pandemic by injecting liquidity and cutting interest rates. During such tumultuous times, the International Monetary Fund (IMF) also extended some relief to 83 countries by providing US \$100-Bn assistance.

Outlook

After a contraction in 2020, the IMF estimates a revival in the global GDP by 5.5% in 2021. The advanced economies are slated to grow by 4.3%, whereas the emerging and developing economies are expected to clock a 6.3% growth in 2021. The inoculation drives world over, are expected to play a vital role in sharing the overall outlook further, since the faster vaccine roll-outs are expected to boost consumer demands and bring the economic growths to pre-COVID levels. However, they have also cited cautious optimism on account of the second wave of the pandemic being witnessed across many countries globally, which may threaten the overall outlook.

Indian Economy

For India, the year 2020-21 started on a weaker note with growing inflation, rising unemployment and the already contracting GDP growth. Furthermore, the outbreak of the Covid-19 pandemic led to several lockdowns, thereby weakening the economic growth. India posted a GDP de-growth of 23.9% in the first quarter of 2020-21. The first nationwide lockdown helped contain the virus to some extent and save lives, but the rising unemployment levels and halt in business activities, increased financial concerns and forced many smaller businesses to shut down. The Indian government

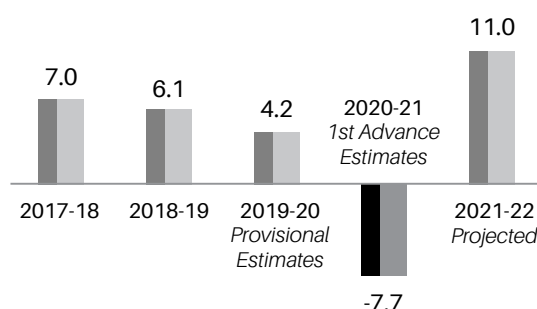
tried to provide some relief by injecting liquidity into the system through various fiscal stimulus packages and even decreasing the interest rates, while also providing moratorium on loan to safeguard the economy. In line with the same, the Government had announced a special relief package of ₹ 20 Lacs Cr. under the Aatmanirbhar Bharat campaign in May 2020 to make India self-sufficient and self-reliant, while giving boost to the manufacturing units and exports.

In the second quarter, some revival was seen after the lockdowns were lifted in a staggered manner and the number of COVID cases went down. This helped in the resumption of manufacturing activities. This led to a surge in the Business Assessment Index (BAI) to 96.2 in Q2 of 2021 from a record low of 55.3 in Q1, 2020-21. Though the figures still suggest a contraction zone, a recovery was witnessed, with GDP also having contracted by 7.5% in Q2 2020-21 as compared to a contraction of 23.9% growth in Q1 2020-21 as per the official data released by the National Statistics Office (NSO).

The third quarter of 2020-21 was more about growth. Lifting of lockdown restrictions, festivities and the support provided by the Government with the roll-out of two vaccines helped the economy regain its tempo. There was a sudden spike in consumer confidence, which led India become the only the second country to post positive GDP numbers, also while BAI moved to the expansion zone, having stood at 108.6 for the quarter. India's GST collection also witnessed a record high indicating positive sentiments for the market. During this quarter, the IIP manufacturing data showed significant growth, with numbers better than China. However, there also was a marginal decline, with the growth in IIP standing at 129.3 for the month of February 2020 as compared to 136.1 in the previous month.

The end of the fourth quarter of 2020-21 witnessed a resurgence in COVID-19 cases, which had repercussions on the economy, thereby having entered in 2021-22 on an uncertain note. However, the massive inoculations happening across the country are likely to hold good the forecasts.

GDP Growth (At constant process) - India (%)



Source: PIB India

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Outlook

India has seen a bounce back from the lows it had touched in Q1, 2020-21 and considering the current scenario, it is estimated by the IMF that India is expected to grow by 12.5% for financial year 2021. It would become the fastest growing economy with rising consumer demand, along with a low base effect too. Vaccination drives are expected to remain a major growth driver. But the rising number of COVID cases and its deadlier mutants could dampen the growth momentum and spirit.

(Source: <https://indianexpress.com/article/business/economy/imf-projects-indias-growth-rate-to-jump-to-impressive-12-5-per-cent-in-2021/>)

<https://www.rbi.org.in/Scripts/PublicationsView.aspx?id=20323>

<https://www.thehindu.com/business/Economy/indian-economy-contracts-by-75-in-q2/article33193753.ece>

Industry Structure and Developments

Indian Specialty Chemical Industry

India is one of the fastest growing markets in the global specialty chemicals industry. The sector contributes 21% of the overall chemical industry and the size of which is estimated to be around US \$40 Bn. Seen from where it stands now, the industry has only good things to fall back on.

As we are probably aware, specialty chemicals influence the performance and processing of the end product through its single chemical entities or the composition of its formulations. The industry's end users comprise pharma, agrochemicals, dyes and pigments, personal care ingredients, polymer additives, water chemicals, textile chemicals and application-driven segments. These segments contribute to about 80% of the total specialty chemicals business. Besides, India continues to be one of the fastest growing markets in the global specialty chemicals industry. The sector contributes 21% of the overall chemical industry and the size of which is estimated to be around US \$40 Bn, with ~50% of total chemical exports done by India. In the last five years, the industry is estimated to have grown by 11.7%.

China continues to hold the biggest market share contributing to around 25% of the global market. Of late, the trends suggest a demand shift from China to India. The factors contributing to this shift include strong demand from pharmaceutical and agrochemical industries, stringent laws made by the Chinese Government to tackle environmental issues, which led to cost

increases and also impacted supply in a big way from China. Besides, the COVID-19 outbreak has also disrupted supplies, with buyers looking for more reliable alternatives. Keeping these trends in mind, the Indian manufacturers have increased their capital expenditures (CAPEX) to cater the expected demand flows, with an aggregate increase of 17% between 2015 and 2020. Around ₹ 90 Bn CAPEX was incurred in 2019-20 alone.

Outlook

The industry is estimated to grow at 13% between 2017-18 and 2022-23, reaching US \$ 60 Bn. Increased CAPEX towards facility set-ups to scale up capacities, higher production of petrochemical products and increased R&D spending to cater the growing demand are likely to lead to increase in new product launches. Ongoing supply side issues from China are also expected to drive the future growth of market share for India.

(Source: <https://www.hdfcsec.com/hsl.docs/Indian%20Chemical%20-%20Sector%20Thematic%20-%20HSIE-202009040850150137062.pdf>)

Indian Amines Industry

Amines are ammonia derivatives, having one or more hydrogen atoms being replaced by a carbon-containing substitute. The size of the global amines market, as per the latest estimates stands at US \$16.8 Bn in CY 2020. It is expected to grow to US \$ 26.6 Bn at a CAGR of 6.8% from 2020-2027.

The major amines market is segmented by Ethyleneamines, Alkylamines, Fatty Amines, Specialty Amines, and Ethanolamines which find uses in various industries such as dyes, agrochemicals, pharmaceuticals, rubber, textiles and many other allied industries. Besides, aliphatic amines are widely used in pharmaceutical APIs and a large number of medicines. These are one of the core product offerings from the companies in the amines industry.

Increasing demand from pharmaceutical, personal care, agrochemical, agriculture, water treatment, paint, coating and petroleum industries are the key growth drivers of the market. The trend was evident during the COVID-19 outbreak, which led to an uptick in demand from the pharmaceutical industry and eventually pushed the demand for the amines industry.

Aliphatic amines are hazardous in nature. Hence, special care is given during the Manufacturer and transportation of these amines. These amines were imported from China, but now they are being manufactured in India to reduce the risks associated with it. In many cases, specialised vehicles are required to be used for transport, which effectively reduce the distances over which it can be transported, thereby curbing the risk of spillage. As a result of which, customers prefer sourcing it locally.

The Asia-Pacific region is the highest producer and consumer of amines. China is the biggest player, followed by India. At

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

present, there are limited players in the market and there is a balance between demand and supply. The market is segregated region-wise, with limited players in each region. Considering the higher logistical costs and the subsequent raw material price spikes, the consumer industries are deterring from importing, thereby enabling the local players to cater the stable demands.

The amines industry in India is also expected to face an increased demand from pharma and agrochemical markets, in line with the global demands. Besides, owing to the complex logistical costs involved, there's a likelihood of reduction in import, which will eventually propel the Indian players to step in, to cater the demands. In line with this shift, a double-digit growth is expected for the Indian amines market in the next three to five years. The overall outlook for the Asia-Pacific region remains positive. The region being the largest producer and consumer of amines, owing to its manufacturing capabilities, large consumption patterns and export avenues are likely to move ahead at a brisk pace.

(<https://www.globenewswire.com/news-release/2020/08/18/2080312/0/en/Global-Amines-Industry.html>)

Company Overview

Balaji Amines Limited is a Company with a global presence in the space of amines, specialty chemicals and derivatives. Having commenced the business since the year 1988, with specialty chemicals, today BAL is one of the leading manufacturers of aliphatic amines and its derivatives in India. With a diversified portfolio of more than 25 different products, catering to the large client base, BAL is highly focused on innovation. It continuously adds new products to diversify its product range and make its manufacturing unit more efficient through technological advancements.

The Company generates around 20% of revenue through exports. Many companies in India were importing specialty chemicals and their derivatives from China and other countries however, with BAL's presence, they can now rely on an BAL,

which will enable them in reducing their costs. The Company today serves diversified industries such as pharmaceuticals, agrochemicals, paints, textiles, water treatment etc., among others. The Company's state-of-the-art manufacturing facilities near Solapur (Maharashtra state, India), is fully equipped with latest technologies, including computerised-controlled systems, which facilitate the control of operations from the control room. In addition, BAL's excellent R&D facilities and pilot plants, ensure our teams to carry out basic research and fine tune processes to ensure quality products with economies of scale to customers across the Globe.

Opportunities and Threats

As we have been looking at various opportunities for adding new products, which are import substitutes and have fairly large volumes for growth. The product identification is very critical element of our business. We have been studying various models of expanding, one of the many is common raw materials, forward and backward integrated plants for value addition and better realisation of margins.

There are certain threats in these times of uncertain which we are addressing by studying associated threats and turning them in to opportunities.

Risks and Concerns

BAL has been taking calculated risks in identifying the products and processes which are commensurate with present industry standards. BAL is always looking out for perceived risks and address them from root cause itself and work.

Risk Management and Mitigation

BAL assesses risks on a regular basis, while formulating new strategies according to the changing market scenarios. The Company always believes in mitigating the risk at early stages, so that business can run without disruptions. The audit committee and management are working in tandem to identify the risks and mitigate them. Following are some of the risks and mitigatory responses for the Company:

Risks	Impact	Mitigation
Economic Slowdown	An economic slowdown in India can plummet revenues for the Company, which may lead to decreased profitability.	BAL is selling its products to Various sectors of the economy pharma, Agrochemical, Dyes, Paints etc. Domestically and Exports to a wide geographical presence, which minimises the risk.
Raw Material	Unavailability of raw material or sudden increase in price can affect manufacturing.	The Company maintains sufficient safety-stock of strategic raw materials and finished goods to mitigate any potential risks. BAL also focuses on securing and maintaining multiple sources of supply for some of the raw materials.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Risks	Impact	Mitigation
COVID-19	The first wave of COVID-19 resulted in lockdown, which derailed the economy and jeopardised lives, bringing production to a standstill. The second wave can disrupt economic activities further.	BAL is taking all precautionary measures to protect its sites and manufacturing units to restrict the spread of COVID-19. It is also maintaining all the protocols rules and regulations prescribed by the Government and local authorities on a regular basis and so far all the safety measures are in place and all the plants are operating at reasonable capacities.
Environment and Safety	The risk of chemical incidents pose a threat to the environment, health and safety of society and in turn business continuity.	Robust safety systems and processes are in place at the various sites to mitigate this risk. In addition, the Company is disposing its hazardous waste safely as per the compliances.
Presence of Unorganised Market	A parallel grey market in the form of an unorganised sector exists in India, and the extent of its market share is unknown.	The Company is delivering since 1990. Its long-term presence and quality of products, and customers service continue to help build a reputation in the market which testifies its credibility.

Internal Control Systems and their Adequacy:

Your Company has appropriate internal control systems for business processes, efficiency in its operations, and compliance with all the applicable laws and regulations. Regular internal checks and audits ensure that the responsibilities are being effectively executed. In-depth review of internal controls, accounting procedures and policies of Company is conducted. Your Company has adopted adequate internal control and audit system commensurate with its size and nature of business.

Financial Performance with respect to operational performance

The Company has been constantly posting good results, with sustainable growth in revenues and profits. The revenue for the year 2020-21 stood at ₹ 1,227.78 Cr. registering an increase of 33.59% over the previous year. Whereas, the PAT for 2020-21 stood at ₹ 231.71 Cr. which is an increase of 103.70% over the corresponding period last year. Besides, BAL has also incurred a Capital Expenditure to the tune of ₹ 131.94 Cr. targeting capability and capacity enhancements.

Let's look at some of the key financial ratios and changes witnessed in 2020-21 vis-à-vis 2019-20:

Key Ratio	2020-21	2019-20	% change	Reason for change
Current Ratio	2.43	1.77	37.29%	Reduction in Borrowings as the retained earnings are ploughed back
Debtors Turnover	5.35	5.19	3.08%	we have tightened the credit terms and able to reduce the credit cycle
Inventory Turnover	6.62	4.35	52.18%	Growth in Sales & Lower levels of Inventory at Hand
Debt Equity Ratio	0.00	0.15	-100.00%	Reduction in Borrowings, with better utilisation of funds
Interest Coverage Ratio	59.10	13.67	332.33%	Reduction in Borrowings, with better utilisation of funds
Operating Profit Margin (%)	32.51%	25.91%	25.47%	Better price realisations and increase in operating leverage due to surge in volume offtake
Net Profit Margin (%)	18.69%	12.24%	52.70%	Better price realisations and increase in operating leverage due to surge in volume offtake
Return on Net Worth (%)	25.82%	17.04%	51.53%	Better utilisation of funds invested in expansion

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Product-wise performance:

Product	As at 31st March, 2021		As at 31st March, 2020		Growth %
	Qty. (MT)	₹ in Cr	Qty. (MT)	₹ in Cr	
Aliphatic Amines	18728	234.06	18669	184.58	26.81%
Speciality Chemicals	37102	533.89	31708	392.78	35.93%
Derivatives of Amines	38857	449.05	34455	315.7	42.24%
	94687	1217.00	84832	893.06	36.27%

Revenue from Aliphatic Amines products in 2020-21 is ₹ 234.06 Cr. up by 26.81% as compared to ₹ 184.58 Cr. in 2019-20.

Revenue from Speciality Chemicals was up by 35.93% in 2020-21 at ₹ 533.89 Cr. as compared to ₹ 392.78 Cr. in 2019-20.

Revenue from Derivatives of Amines in 2020-21 is ₹ 449.05 Cr. as compared to ₹ 315.70 Cr. in 2019-20 resulting in the growth by 42.24%.

Expansion Plans

Greenfield Project - Phase I

The Plant for manufacture of Ethylamine under the first phase of our 90-acre Greenfield Project has commenced commercial operation on 21st May, 2021. The commencement of the production of Di-Methyl Carbonate (DMC) is expected in the last quarter of 2021-22.

Under Phase I, the Company has installed additional capacities of 16,500 TPA of Ethylamine, which has moved our company to be the largest manufacturer of Ethylamines in India. (Additionally, the Company is also installing capacity of 9,900 TPA of DMC). There is a supply shortfall of about 9,000 TPA of Ethylamine in India, which is expected to be fulfilled by the Company owing to production increase.

Hotel Division

BAL commenced its hotel business in the year 2013, with an investment of ₹ 110 Cr. The hotel named Balaji Sarovar, is a 5-star hotel located in Solapur. The hotel has 129 rooms and BAL has tied-up with Sarovar Group for the management of the hotel on management fee + revenue-sharing model. The hotel segment constitutes to about 2.20% of total revenue.

Solapur city is located in the south-western region of India and it shares border with Karnataka. This city is located on major highway, rail routes between Mumbai, Pune, Bengaluru and Hyderabad, which provide a great connectivity to the city. Besides, with the presence of many corporates in the region, the hotel occupancy rates tend to remain higher.

Balaji Speciality Chemical Private Limited (BSCPL)

BSCPL is a subsidiary company of BAL, where it owns 55% of the share capital of Company. It was incorporated in the year 2010, and involved in the production of niche products such as Ethylenediamine (EDA), Piperazine (PIP) and Diethylenetriamine (DETA). With this extensive product line, the Company is serving its end users with cost benefits, since these products had to be imported earlier.

The plant is located at Plot No. E-8/1, Chincholi M.I.D.C., Tal. Mohol, Dist. Solapur – 413 255, with a total licensed capacity to produce 45,330 metric tons per annum (MTPA). Out of this it can manufacture 37,350 MTPA of EDA, 4,050 MTPA of PIP and 3,150 MTPA of DETA, while 780 MTPA is produced as mixture of other amines. The Company is now more inclined towards the agricultural sector, which bodes well for the agrochemicals industry. It is likely to enable BSCPL to gradually increase capacity utilisation levels as well. Also, the Company is witnessing demand from China for its products such as EDA and Piperazines, DETA, which are likely to bode well for the future.

The Company has also started manufacturing some additional products under EDA, PIP and DETA to provide strong boost to its portfolio. BSCPL has also received REACH Certification from Europe for export of Di-Ethylene Tri Amine (DETA).

Material Developments in Human Resources/Industrial Relations front. Development including number of people employed

BAL considers its human resource as the major strength to achieve its objectives. Keeping this in view, the Company undertakes all the care to attract new talent, provide all the necessary trainings, while retaining well-qualified and deserving employees. Owing to the current pandemic, BAL has adopted all the necessary measures required to keep the employees safe. The employees are sufficiently empowered, and the Company provides friendly environment workplace that inspires them to channelise their talent and unlock the potential, which leads to higher performance levels. BAL appreciates the contribution of its dedicated team with accolades being showered year-round.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Disclosure of Accounting Treatment

The financial statements have been prepared in accordance with all applicable accounting standards.

Disclaimer

Certain statements in the MD&A section, concerning future prospects, may be forward-looking statements which involve a number of underlying identified/non-identified risks and uncertainties that could cause actual results to differ materially. In addition to the foregoing changes in the macro environment, global pandemic like COVID-19 may pose an unforeseen, unprecedented, unascertainable and constantly evolving risk(s), inter-alia, to the Company and the environment in

which it operates. The results of these assumptions made, relying on available internal and external information, are the basis for determining certain facts and figures stated in the Report. Since the factors underlying these assumptions are subject to change over time, the estimates on which they are based, are also subject to change accordingly. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements, whether as a result of new information, future events, or otherwise.

BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

1. Corporate Identity Number (CIN)	L24132MH1988PLC049387
2. Name of the Company	Balaji Amines Limited
3. Registered address	Balaji Towers, No. 9/1A/1, Aasara Chowk, Hotgi Road, Solapur-413224, Maharashtra.
4. Website	www.balajiamines.com
5. Email id	cs@balajiamines.com
6. Financial year reported	2020-21 (for the year ended 31st March, 2021)
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	20119 - Manufacturing of Aliphatic Amines, their derivatives and Speciality Chemicals 55101 - Hotel Balaji Sarovar Premiere
8. List three key products / services that the Company manufactures/ provides (as in balance sheet)	Methylamines Ethylamines Di-methyl Amine Hydrochloride (DMA HCL) Dimethylformamide (DMF) N Methyl Pyrrolidene
9. Total number of locations where business activity is undertaken by the Company	
i) International locations	NA
ii) National locations	Unit 1 : Tamalwadi Village, Taluka- Tuljapur, Osmanabad District - 413 623, Maharashtra. Unit 2 : Plot No. 4 & 5, Beside Sub - Station 2 IDA Bollaram, Sangareddy District - 502 325, Telangana. Unit 3 : Plot No. E - 7 & 8, Chincholi MIDC, Taluka Mohol, Solapur - 413 255, Maharashtra. Unit 4 : Plot No. F - 104, Chincholi MIDC, Taluka Mohol, Solapur - 413 255, Maharashtra. Unit 5 (CFL Division) : Nandi Kandi, Sadasivpet, Sangareddy District, Telangana - 502306 Hotel Division: Balaji Sarovar Premiere, Survey No. 9/1A/1, Aasara Chowk, Hotgi Road, Solapur-413 224
10. Markets served by the Company - Local / State / National / International	National and International

Section B: Financial Details of the Company

(₹ in Lacs)

1. Paid up Capital of the Company (As on 31st March, 2021)	₹ 648.02 (32401000 Equity shares of ₹ 2 each)
2. Total turnover (For 2020-21)	₹ 122777.95
3. Total profit after tax (For 2020-21)	₹ 23171.10
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	₹ 374.06 1.61%
5. List of activities in which expenditure in four above was incurred:	Please refer Annual Report on CSR Activities annexed to the Directors' Report

BUSINESS RESPONSIBILITY REPORT (Contd.)**Section C: Other Details**

1. Does the Company have any Subsidiary Company / Companies?	Yes, the Company has one subsidiary Company named Balaji Speciality Chemicals Private Limited as on 31st March, 2021
2. Does the subsidiary Company / Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s).	Business Responsibility initiatives of the Company are applicable to the subsidiary company to the extent that is material in relation to the business activities of the subsidiary.
3. Does any other entity / entities (e.g. suppliers, distributors etc.), that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	No entity participates in the BR initiatives of the Company. However the Company encourages its suppliers, distributors, contractors etc to adopt BR initiatives and follow good business practices.

Section D: BR Information

1. Details of Director / Directors responsible responsible for BR Policy/Policies	
a) Details of the Director / Directors responsible for the implementation of the BR policy / policies	
DIN	00003864
Name	D. Ram Reddy
Designation	Managing Director
b) Details of the BR head	
DIN	00003864
Name	D. Ram Reddy
Designation	Managing Director
Telephone No.	0217-2451500
E-mail ID	ram@balajiamines.com

2. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N)

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs adopted in nine areas of Business Responsibility, viz.:

Principle 1	P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
Principle 2	P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
Principle 3	P3	Businesses should promote the well-being of all employees
Principle 4	P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
Principle 5	P5	Businesses should respect and promote human rights
Principle 6	P6	Businesses should respect, protect and make efforts to restore the environment
Principle 7	P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principle 8	P8	Businesses should support inclusive growth and equitable development
Principle 9	P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

BUSINESS RESPONSIBILITY REPORT (Contd.)**(a) Details of Compliance:**

	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. Do you have a policy/ policies for.	Y	Y	Y	Y	Y	Y	Y	Y	Y
2. Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Does the policy conform to national / international standards? If yes, specify? (50 words)	Company believes in benchmarking practices and global standards - to the best possible extent.								
4. Has the policy been approved by the Board? If yes, has it been signed by the MD / Owner / CEO appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5. Does the Company have a specified committee of the Board/ Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6. Indicate the link to view the policy online.	Please refer Note 4 given below								
7. Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8. Does the Company have in-house structure to implement its policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9. Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10. Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Notes

- All the policies are formulated with detailed analysis and benchmarking across industry. The policies are in compliance with all applicable laws.
- As per the Company's practice, all the mandatory policies under the Indian laws and regulations have been approved by the Board. Other policies are approved by the concerned Functional Head or Managing Director / Joint Managing Director of the Company depending upon the nature of policy.
- All the policies have a policy owner and the respective policy owners are responsible for implementation of the policy.
- Except Code of Conduct and Corporate Social Responsibility Policy, all other policy documents being in-house and internal documents of the Company are accessible to all the employees of the Company and thus are not available on the website of the Company. The Code of Conduct and Corporate Social Responsibility Policy can be accessed on the below link: <http://www.balajiamines.com>
- Any grievance relating to any of the policy can be escalated to the policy owner/ Managing Director & /or Joint Managing Director.
- Implementation of policies is evaluated as a part of internal governance by policy owners.

(b) If answer to question at Sr. No. 1 against any principle, is 'No', please explain why?

	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. The Company has not understood the Principles	Not Applicable								
2. The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified Principles									
3. The Company does not have financial or manpower resources available for the task									
4. It is planned to be done within next six months									
5. It is planned to be done within next one year									
6. Any other reason (please specify)									

BUSINESS RESPONSIBILITY REPORT (Contd.)**3. Governance related to BR**

1. Indicate the frequency with which the Board of Directors, Committee of the Board or the CEO assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year	The Management assesses the BR performance of the Company on quarterly basis.
2. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing the report? How frequently it is published?	The Business Responsibility Report will be published annually by the Company as a part of its Annual Report. The link for Annual Report is available at: www.balajiamines.com

Principle 1: Ethics, Transparency and Accountability**Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	<p>Your Company has been following fair, transparent and ethical governance practices and believes it to be essential for enhancing long-term shareholder value and retaining investor trust. The Company believes that the policies and practices should be ethical and sustainable while being competitive.</p> <p>The Board has adopted two detailed sets of code of conduct, one for Board of Directors and other for Senior Management and Employees. The Code of Conduct for Senior Management and Employees forms an integral part of the induction of new employees. The policy does not extend to the Group/Joint Venture/Suppliers, etc. However, the Company encourages parties associated with its value chain like vendors, suppliers, contractors, etc. to follow the principles envisaged in the policy.</p> <p>An effective vigil mechanism/ whistle blower policy is in place to report to the management, instances on unethical behavior and any violation of the Company's Code of Conduct. No complaint was received during the financial year 2020-21.</p>
2. How many stakeholder complaints were received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof in about 50 words or so.	During 2020-21, no substantiated consumer complaint were received.

Principle 2: Product Lifecycle Sustainability**Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

1. List three of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities	<p>Morpholine</p> <p>Acetonitrile</p> <p>Di-Methyl Amine Hydrochloride (DMA HCL)</p>
2. For each such product, provide the following details in respect of resource use (energy, water, raw material and so on) per unit of product (optional)	<p>The biggest step towards sustainability which company has taken up is, all the plants are having zero liquid discharge facilities.</p> <p>Over the years we have constantly improved our recoveries and reduced hazardous waste generation, improved on water conservation and energy consumption.</p> <p>Company has installed various heat recovery systems and energy saving devices apart from solar plants.</p> <p>Company uses Vacuum systems with more efficient systems that reduces utilities consumptions as well as reduce effluent generation and recovers water for reuse at economical ways.</p> <p>Various kinds of power generation systems deployed at plants reducing overall cost of power.</p>
3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also provide details thereof, in about 50 words or so	The Company is the only company to develop an Indigenous technology for manufacturing amines. During the product development process, the Company ensures that the manufacturing processes and technologies required to produce it are resource efficient and sustainable. Most of the inputs are commodities which are based on Crude / Gas and other Natural sources the respective suppliers are following GMP to ensure they are sustain

BUSINESS RESPONSIBILITY REPORT (Contd.)

4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what initiatives were taken to improve their capacity and capability of local and small vendors?	Since the Company has a presence and operates across locations in rural India, it is important to build strong partnerships with the local suppliers. Most of Company's supplies are met through local vendors and service providers. The Company employs workmen from nearby village & communities. This workforce is educated and provided with training for occupational health and safety.
5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling them (separately as <5%, 5-10%, >10%)? Also provide details thereof, in about 50 words or so	Yes, has a mechanism to recycle its by products for further usage. We have sustainable system and process to recycle water, by products and reuse to the maximum extent.

Principle 3: Employee Wellbeing**Businesses should promote the wellbeing of all employees**

1. Total number of employees as on 31st March, 2021.	As on 31st March, 2021 the Company has a total of 818 permanent employees.
2. Total number of employees hired on temporary / contractual / casual basis as on 31st March, 2021.	The Company during the year under review has hired 263 employees on temporary/contractual/ basis.
3. Total number of permanent women employees.	Company employs 20 permanent women employees
4. Total number of permanent employees with disabilities.	3 employees have minor disabilities.
5. Do you have an employee association that is recognized by the Management?	Yes, we have 2 Employee Associations recognised by the Management,
6. What percentage of your permanent employees are members of this recognised employee association?	Approximatley 79.7% Employees are forming part of recognised Employee Association
7. Please indicate the number of complaints relating to the last financial year and pending, as on the end of the financial year.	The Company has not received any complaints relating to child labour, forced labour, involuntary labour, sexual harassment during 2020-21 and hence pendency of same does not arise.
8. What percentage of employees (permanent, permanent women, casual, temporary/contractual and employees with disabilities) were given safety and skill up-gradation training in the last year?	The Company conducts from time to time training programs for all Employees at its factory, location registered office and Administrative office.

Principle 4: Stakeholder Engagement**Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised**

1. Has the Company mapped its internal and external stakeholders? Yes / No	Yes, the Company has mapped its stakeholders as a part of its stakeholder engagement process. Key categories are: 1) Customers; 2) Shareholders/Investors; 3) Suppliers/Vendors; 4) Employees; 5) Government Agencies 6) Local Villages etc
2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?	Yes, the Company has been identifying the disadvantaged, vulnerable and marginalised stakeholders.
3. Are there any special initiatives undertaken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders?	The Company endeavours to understand their concerns, defines purpose and scope of engagement, commits to engaging with them and resolves differences with stakeholders in a just, fair and equitable manner through CRS activities wherever possible.

BUSINESS RESPONSIBILITY REPORT (Contd.)**Principle 5: Human Rights****Businesses should respect and promote human rights**

1. Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	The Company values and respects the human rights and always remains committed for its protection. The Company's Code of Business Conduct, policy on sexual harassment at workplace and the human resource practices cover most of these aspects. The Company encourages all its suppliers, Subsidiary, vendors and contractors to adopt good practices in this regard.
2. How many stakeholder complaints were received in the past financial year and what percent was satisfactorily resolved by the Management?	None

Principle 6: Environmental Management**Businesses should respect, protect and make efforts to restore the environment**

1. Does the policies related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	<p>The Company has high regards for Environmental Sustainability and strives hard for preservation of the environment by continuous efforts and balancing between economic growth and ecology, flora, fauna etc. The Company's plants have state-of-the-art facilities and is ISO 9001- 2015 certified.</p> <p>The Company is committed towards maintaining and improving Safety, Health and Environment of its Employees, other agencies associated with the Company and its operational surroundings. The Company has also introduced "Environment Health & Safety Policy" which ensure Safety & Health through line management responsibility and by involving all levels of employees through engaging them over consultation, open communication, training and by adopting latest hazard identification risk assessment & control methods.</p> <p>The Subsidiary and other third party/vendors are encouraged to adopt the similar practices that are followed by the Company.</p>
2. Does the Company have strategies / initiatives to address global environmental issues, such as climate change, global warming and others? If yes, please give hyperlink for webpage etc.	The Company undertakes various initiatives for environmental protection, safety and health of both. Company tries to address the global environmental issues by installing various systems and processes such as RO, heat exchanges, air cooling condensers Filters Bags for Boiler etc apart from renewable energy systems and other effluent treatment plants and ambient air monitoring system at its plants situated at various locations to be complied with global standards.
3. Does the Company identify and assess potential environmental risks? Y / N	Yes, the Company has a Risk Management Policy in place to identify and assess existing and potential environmental risks across its operations.
4. Project(s) related to Clean Development Mechanism	Currently, the Company is not undertaking any project related to Clean Development Mechanism.
5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy and so on? If yes, please give hyperlink to webpage and others.	<p>Yes, the Company takes multiple initiatives towards energy efficiency and use of renewable energy at its plants & Offices.</p> <p>The Company has adopted a robust waste management system which ensures reduction of waste by minimizing waste at source and recycles & reuse waste materials. Other initiatives of the Company include installation of RO, renewable energy systems and other effluent treatment plants, replacement of old tube light with LED and plantation of trees at various plant locations.</p>
6. Are the emissions / waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?	Emissions/wastes generated by the Company are within permissible limits. The Company regularly submits reports on emission levels to CPCB/SPCB. Apart from online Monitoring system
7. Number of show cause / legal notices received from CPCB / SPCB, which are pending (i.e. not resolved to satisfaction) as on the end of the financial year	The Company has not received any show cause/legal notices from CPCB/SPCB in 2020-21 and hence question of pendency does not arise.

BUSINESS RESPONSIBILITY REPORT (Contd.)

Principle 7: Policy Advocacy

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Does the Company represent in any trade and chambers/ association? If yes, name only those major ones that the Company deals with.	The Company is inter alia a member of the following business associations: 1. CHEMEXCIL 2. Federation of Indian Export Organisation (FIEO) 3. Indian Chemical Council (ICC) 4. Federation of Telangana Chambers of Commerce and Industry (FTCCI) 5. Bulk Drug Manufacturers Association
2. Has the Company advocated / lobbied through the above associations for the advancement or improvement of public good? If yes, specify the broad areas.	Annually, the Company participates in events like of ICC, FTCCI, FICCI etc for the growth of industry in general with sustainable policy making efforts.

Principle 8: Inclusive Growth

Businesses should support inclusive growth and equitable development

1. Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, provide details thereof.	Yes, the Company considers social development as an important aspect of its operations. It has aligned its thrust areas in line with the requirements of Schedule VII to the Companies Act, 2013. To oversee implementation of various initiatives, the Company has formed Corporate Social Responsibility Committee. The Company has adopted a policy on Corporate Social Responsibility to streamline its efforts towards Corporate Social Responsibility and support inclusive growth and equitable development of the regions it is located in specified area and society in general.
2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organisation?	The projects are mostly undertaken through in-house teams and involving villagers, communities and other stakeholders like government agencies etc.
3. Has the Company done any impact assessment for its initiative?	Impact assessment is conducted on regular basis and is reviewed from time to time and corrective actions being taken to mitigate the perceived risk.
4. What is the Company's direct contribution to community development projects (Amount in INR and the details of the projects undertaken)?	The Company has spent an amount of Rs. 374.06Lacs in various CSR activities during 2020-21. The details of the amount incurred and areas covered are given in the report on Corporate Social Responsibility annexed to and forming part of the Directors' Report.
5. Has the Company taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in around 50 words.	All the Company's social development programmes are implemented based on the needs within the community, villages etc. The Company's social initiatives continuously focuses on benefiting both individual and the community at large where we have our foothold.

Principle 9: Value for Customers

Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints / consumer cases is pending, as on the end of the financial year?	The Company believes in providing quality products to its customers after taking into consideration the needs of the customers and service them continuously. The Company has in place robust feedback system to deal with the customer feedback and complaints. All the customers concerns are taken up and resolved immediately to the satisfaction of the consumer. As on the end of 2020-21, there were no complaints remaining unresolved.
2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information).	The Company displays all the information on the product label as mandated by the regulations to ensure compliance with relevant laws and other additional information.

BUSINESS RESPONSIBILITY REPORT (Contd.)

3. Cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and /or anti-competitive behavior during the last five years and pending as on the end of the financial year. If yes, provide details thereof, in about 50 words or so.	No such case has been registered against the Company.
4. Did the Company carry out any consumer survey / consumer satisfaction trends?	<p>Yes, as per ISO Standards, we carryout customers feedback through survey.. We regularly interact with the customers to understand their needs. Meetings are conducted on regular basis with key customers and regular feedbacks are encouraged by other customers through survey forms emails and personal meetings to focus their future requirement and growth plans.</p> <p>The areas of focus are identified during the engagement are quality and timely delivery of the product to their satisfaction.</p>

For **and on Behalf of the Board of Directors**

Sd/-

A. Prathap Reddy

Executive Chairman

DIN: 00003967

Date: 24th May, 2021

Place: Secunderabad

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company has all the process, protocols and system of Corporate Governance and has been following fair, transparent and ethical governance practices and follows to the Tee and also it to be essential for enhancing long-term shareholder value and retaining investor confidence & trust. Your Company believes that Corporate Governance is about best practices of a business to be imbibed into the culture of the organisation and complying with value systems, ethical business practices, complying to laws and regulations to achieve the main objects of the Company through best practices.

The Company believes to grow and be successful by following systems, protocols, policies and practices which are ethical and sustainable while being competitive.

Policies processes, practices and actions of the Company are carefully designed to further the objectives of Good Corporate Governance of the Company, thereby enhancing its performance and improving stakeholder's value and fulfilling its obligations towards the Government, its shareholders, employees and other stakeholders.

2. BOARD OF DIRECTORS

The composition of the Board of your Company is in conformity with the provisions of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time.

The Company's board consists of 10 (Ten) Directors as on 31st March, 2021. Out of 10 Directors, 5 Directors are Independent Directors including one (1) woman Director. The Chairman of the Board is an Executive Director.

None of the Independent Directors of the Company had any material pecuniary relationship or transactions with the Company, its promoter, its management during 2020-21, which may affect independence of the Independent Directors. All Directors mentioned above as Independent Directors, fall within the expression of "Independent Directors" as mentioned in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.

a) Number of Board Meetings and Attendance of the Directors at Meetings of the Board and at the Last Annual General Meeting

The Board of Directors met 4 (four) times during the year under review on 22nd June, 2020, 12th August, 2020, 28th October, 2020 and 8th February, 2021. The Requisite quorum was present for all the Meetings. The Board met at least once in a calendar quarter and the maximum time gap between any two Meetings was not more than one hundred and twenty days. These Meetings were well attended. The 32nd Annual General Meeting was held on 8th August, 2020 over video conferencing mode due to covid-19 pandemic as per the MCA guidelines.

The names and categories of Directors, their attendance at the Board Meetings held during the year and at the last Annual General Meeting (AGM) held on 8th August, 2020, and also the number of Directorships and committee positions held by them in public limited companies are as follows:

Name of the Director	Category	No of Board Meetings attended during 2020-21	Attendance at the Last AGM (1st August, 2020)	No. of Directorships in Other Companies		Memberships held in committees of other public Companies*	Chairmanships held in committees of other Public Companies*	Name of other listed entities where he/she is a director and the category of directorship
				Private	Public			
Mr. A. Prathap Reddy Executive Chairman DIN: 00003967	Executive Director (Promoter)	4	Yes	1	1		0	-
Mr. D. Ram Reddy Managing Director DIN : 00003864	Executive Director (Promoter)	4	Yes	8	1	0	0	-
Mr. N. Rajeshwar Reddy Joint Managing Director DIN : 00003854	Executive Director (Promoter)	4	Yes	4	1	0	0	-
Mr. G. Hemanth Reddy Whole-time Director & CFO DIN : 00003868	Executive Director (Promoter)	4	Yes	0	1	1	0	-
Mr. A. Srinivas Reddy Whole-time Director DIN: 03169721	Executive Director (Promoter)	4	Yes	0	1	0	0	-

REPORT ON CORPORATE GOVERNANCE (Contd.)

Name of the Director	Category	No of Board Meetings attended during 2020-21	Attendance at the Last AGM (1st August, 2020)	No. of Directorships in Other Companies		Memberships held in committees of other public Companies*	Chairmanships held in committees of other Public Companies*	Name of other listed entities where he/she is a director and the category of directorship
				Private	Public			
Mr. T. Naveena Chandra Independent Director DIN: 00231636	Independent Non-Executive Director	4	Yes	2	3	2	2	1. Sri KPR Industries Limited- Non-Executive - Independent Director 2. Saaketa Consultant Limited- Executive Director
Mr. M. Amarender Reddy Independent Director DIN : 05182741	Independent Non-Executive Director	4	Yes	0	0	2	1	-
Mr. C.S.N. Murthy Independent Director DIN : 00142138	Independent Non-Executive Director	4	Yes	2	2	1	0	1. Gland Pharma Limited Non-Executive - Independent Director, Shareholder Director
Mr. Kashinath R. Dhole Independent Director DIN : 01076675	Independent Non-Executive Director	4	Yes	2	1	2	1	1. Smruthi Organics Limited- Non-Executive - Independent Director
Mrs. Vimala B. Madon Independent Director DIN : 06925101	Independent Non-Executive Director	4	Yes	1	1	0	0	1. Godavari Drugs Limited- Non-Executive - Independent Director

* Membership/Chairmanship of Audit Committees and Stakeholders' Relationship Committees

None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees across all the companies in which they are directors. None of the Directors hold office in more than 10 public companies. None of the Directors serve as Independent Director in more than seven listed companies.

b) Disclosure of relationships between directors inter-se:

- Mr. A. Prathap Reddy, Executive Chairman of the Company is father of Mr. A. Srinivas Reddy, Whole time Director of the Company, Father In Law of Mr. G. Hemanth Reddy, Whole time Director and CFO of the Company and Uncle of Mr. D. Ram Reddy, Managing Director of the Company.
- Mr. D. Ram Reddy, Managing Director of the Company is Nephew of Mr. A. Prathap Reddy, Executive Chairman of the Company and Cousin of Mr. A. Srinivas Reddy Whole time Director of the Company.
- Mr. N. Rajeshwar Reddy, Joint Managing Director of the Company is Brother in Law of Mr. G. Hemanth Reddy, Whole time Director and CFO of the Company.
- Mr. G. Hemanth Reddy, Whole time Director and CFO of the Company is Son in Law of Mr. A. Prathap Reddy, Executive Chairman of the Company, Brother in Law of Mr. N. Rajeshwar Reddy, Joint Managing Director of the Company and Brother in Law of Mr. A. Srinivas Reddy, Wholetime Director of the Company.
- Mr. A. Srinivas Reddy, Whole time Director of the Company Son of Mr. A. Prathap Reddy, Executive Chairman of the Company, Brother in Law of Mr. G. Hemanth Reddy, Whole time Director and CFO of the Company and Cousin of Mr. D. Ram Reddy, Managing Director of the Company.

REPORT ON CORPORATE GOVERNANCE (Contd.)**c) NUMBER OF SHARES HELD BY NON- EXECUTIVE DIRECTORS**

Name of Director	Designation	No. of Shares held
Mr. T. Naveena Chandra	Independent Director	852
Mr. M. Amarender Reddy	Independent Director	-
Mr. C.S.N. Murthy	Independent Director	-
Mr. Kashinath R. Dhole	Independent Director	01
Mrs. Vimala B. Madon	Independent Director	-

d) FAMILIARIZATION PROGRAMME

At the time of appointing a Director, a formal letter of appointment is given, which inter alia explains the role, function, duties and responsibilities expected from a Director of the Company. The Director is also explained in detail the Compliance required from him under Companies Act, 2013, the Listing Regulations and other various statutes and an affirmation is obtained. Further, on an ongoing basis as a part of Agenda of Board / Committee Meetings, briefings are regularly made to the Independent Directors on various matters inter-alia covering the Company's and its subsidiaries businesses and operations, industry and regulatory updates, strategy, finance, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters.

A formal familiarisation programme was conducted about the amendments in the Companies Act, 2013, Rules prescribed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable laws of the Company. Company do notify the changes in all the applicable laws from time to time to the Board of Directors regularly in every Board Meeting

The details of the familiarisation programme for Directors are available on the Company's website at the link: www.balajiamines.com/investor-relations.

e) SKILLS / EXPERTISE / COMPETENCIES OF THE BOARD OF DIRECTORS

The following is the list of core skills / expertise / competencies identified by the Board of Directors that are required in the context of the Company's business and that the said skills are available with the Board Members:

- Knowledge on Company's business policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
- Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
- Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making
- Financial and Management skills, Risk assessment and mitigation, trouble shooting etc.
- Technical / Professional skills and specialised knowledge in relation to Company's business.

List of skills/ competencies required in Names of Directors having such relation to business operations	Mr. A. Prathap Reddy	Mr. D. Ram Reddy	Mr. N. Rajeshwar Reddy	Mr. G. Hemanth Reddy	Mr. A. Srinivas Reddy	Mr. T. Naveena Chandra	Mr. M. Amarender Reddy	Mr. C.S.N. Murthy	Mr. Kashinath R Dhole	Mrs. Vimala B. Madon
Finance, Law, Management, Administration	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industry/ Sector Knowledge	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Corporate Governance, Strategic Management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
International Marketing and Sales	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

REPORT ON CORPORATE GOVERNANCE (Contd.)**f) Confirmation that in the opinion of the board, the independent directors fulfil the conditions specified in these regulations and are independent of the management.**

The Board of Directors be and is hereby confirm that in the opinion of the Board, the Independent Directors fulfil the conditions specified by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 they are independent of the management. The Independent Directors of the Company met on February 11, 2021 without the presence of Non- Independent Directors.

COMMITTEES OF THE BOARD

Your Company has six Board level Committees - Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Research & Development Committee & Risk Management Committee. All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of service for Committee Members are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of Meetings held during the financial year and the related attendance, are provided below:

Details of Audit Committee Meetings with Attendance

Name	Designation	Category	No. of Meetings Attended
Mr. T. Naveena Chandra	Chairman	Independent, Non-Executive	4
Mr. M. Amarendra Reddy	Member	Independent, Non-Executive	4
Mr. C.S.N. Murthy	Member	Independent, Non-Executive	4

The terms of reference of the Audit Committee are as under:

1. Overview of Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are accurate, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of auditors and fixation of audit fee.
3. Approval of payment to statutory auditors for any other services rendered by them.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit finding.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions.
 - g) Review of draft Auditors Report, in particular qualifications / remarks / observations made by the Auditors on the financial statements.
 - h) Management Discussion and Analysis of financial conditions and results of operations.
5. Review of Statement of significant related party transactions submitted by the management.
6. Review of management letters/letters of internal control weaknesses issued by the statutory auditors.

3. Audit Committee

The Company has a qualified and independent Audit committee and consists of 3 Independent Directors, who shall provide assistance to the Board of Directors in fulfilling its responsibilities.

The composition of the Audit committee is in accordance with the requirements of the Regulations under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also Section 177 of the Companies Act, 2013 and Rule 6 and 7 of Companies (Meetings of Board and its Powers) Rules, 2014.

The Audit Committee meets regularly as required and exercises its powers in accordance with the framework defined by the Board. The terms of reference of the Audit Committee are as set out by the Board which is in accordance with the aforesaid provisions.

During the year under review, four meetings of the Committee were held on 22nd June, 2020, 12th August, 2020, 28th October, 2020 and 8th February, 2021. The gap between two meetings did not exceed one hundred and twenty days. There were no changes in the constitution of the Audit Committee. The composition of the Audit Committee and the details of meetings attended by each of the members are given below:

REPORT ON CORPORATE GOVERNANCE (Contd.)

7. Review of internal audit reports relating to internal control weaknesses.
8. Review of appointment, removal and terms of remuneration of the Internal Auditor.
9. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
10. Review of the financial statements of subsidiary Companies.
11. Review and monitor the auditor's independence, performance, and effectiveness of audit process.
12. Approval or any subsequent modification of transactions of the Company with related parties.
13. Scrutiny of inter-corporate loans and investments.
14. Valuation of undertakings or assets of the Company, wherever necessary.
15. Evaluation of internal financial controls and risk management systems.
16. To look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors.
17. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
18. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
19. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
20. Discussion with internal auditors of any significant findings and follow up there on.
21. Reviewing the risk management policies, practices and the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
22. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concerns.
23. To review the functioning of the Whistle Blower Mechanism.
24. Approval of appointment / reappointment, remuneration of CFO (or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
25. Carrying out any other function as may be mentioned in the terms of reference of the Audit Committee. The Audit Committee discharges its functions and obligations on regular basis and on the occurrence of the events.
26. reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company has been constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 as well as in terms of Regulation 19 of the Listing Regulations and comprises requisite number of Independent Directors.

Mr. M. Amarender Reddy, the Independent Non-executive Director is the Chairman of the Committee.

During the year under review, three meetings of the committee were held on 22nd June, 2020, 28th October, 2020 and 8th February, 2021. There were no changes in the constitution of the Nomination and Remuneration Committee. The composition of the Nomination and Remuneration Committee and the details of meetings attended by each of the members are given below:

Details of Nomination and Remuneration Committee Meetings with Attendance

Name	Designation	Category	No. of Meetings Attended
Mr. M. Amarender Reddy	Chairman	Independent, Non-Executive	3
Mr. T. Naveena Chandra	Member	Independent, Non-Executive	3
Mrs. Vimala B. Madon	Member	Independent, Non-Executive	3

REPORT ON CORPORATE GOVERNANCE (Contd.)**The terms of reference of the Nomination and Remuneration Committee are as under:**

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
2. Formulation of criteria for evaluation of Independent Directors and the Board. Devising a policy on Board diversity.
3. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board for the reappointment and removal.
4. To recommend/review remuneration of Key Managerial Personnel based on their performance and defined assessment criteria.
5. To decide on the elements of remuneration package of all the Key Managerial Personnel i.e. salary, benefits, bonus, stock options, pensions, etc.
6. Recommendation of fee / compensation if any, to be paid to Non-Executive Directors, including Independent Directors of the Board.
7. Payment / revision of remuneration payable to Managerial Personnel.
8. While approving the remuneration, the committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee.
9. The Committee shall be in a position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the Company and shareholders.
10. Any other functions / powers / duties as may be entrusted by the Board from time to time.

The Company has adopted a Policy relating to the remuneration for Directors, Key Managerial Personnel and other employees of the Company which is disclosed on the website of the Company at the link: www.balajiamines.com/investor-relations

The committee under the guidance of Board has formulated the criteria and frame work for the performance evaluation of every Director of the Board including independent Directors and identified the ongoing training and education programs to ensure that the independent Directors are provided with adequate information regarding the business, the industry and their legal responsibilities and duties.

Performance Evaluation Criteria for Independent Directors

Independent Directors are evaluated based on below mentioned criteria:

- a) their general understanding of the Company's business dynamics;
- b) their contribution in the Board Meetings and guidance to the Board;
- c) professional ethics, integrity and values;
- d) willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively;

The Nomination and Remuneration Committee also has laid down criteria for performance evaluation of all the Directors on the Board and recommended the same for evaluating the performance of each and every Director.

5. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee has been formed in compliance of Regulations under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Section 178(5) of the Companies Act, 2013. The Committee comprises of two Whole-time Directors and one Independent Director. Mr. M. Amarender Reddy, independent non- executive director heads the Committee.

The Committee met four times on 22nd June, 2020, 12th August, 2020, 28th October, 2020 and 8th February, 2021 during 2020-21. The composition of the Stakeholders' Relationship Committee and the details of Meetings attended by each of the Members are given below:

Details of Stakeholders' Relationship Committee Meetings with Attendance

Name	Designation	Category	No. of Meetings Attended
Mr. M. Amarender Reddy	Chairman	Independent Director, Non-Executive	4
Mr. A. Prathap Reddy	Member	Independent, Non-Executive	4
Mr. G. Hemanth Reddy	Member	Independent, Non-Executive	4

The Committee reviews the security transfers/transmissions, process of dematerialisation and the investors' grievances and the systems dealing with these issues.

Mr. D. Ram Reddy, Managing Director is appointed as the interim Compliance Officer of the Company in the absence of Company Secretary.

REPORT ON CORPORATE GOVERNANCE (Contd.)**1. Details of status of the references / complaints received and replied / resolved during the year are given in the following statements**

Description	No. of Complaints Received	No. of Complaints Resolved	Pending Complaints
Non Receipt of Share Certificates after transfer etc.	NIL	NIL	NIL
Non Receipt of Dividend Warrant	NIL	NIL	NIL
Query regarding demat credit	NIL	NIL	NIL
Non receipt of Bonus	NA	NA	NA
Miscellaneous	NIL	NIL	NIL
Total	NIL	NIL	NIL

The terms of reference of the Stakeholders' Relationship Committee are as under:

1. Resolving the grievance of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

6. Risk Management Committee:

Board has constituted Risk Management Committee in compliance with Regulation 17(9)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and provisions of the Companies Act, 2013 ("the Act"), for risk assessment and risk minimisation.

The Risk Management Committee is constituted w.e.f 24th May, 2021 with two Executive Directors and two Non Executive Independent Directors of the Company. Constitution of Risk Management Committee is as below:

Sr. No.	Name	Designation
1	C.S.N.Murthy	Chairman
2	G. Hemanth Reddy	Member
3	N. Rajeshwar Reddy	Member
4	M. Amarender Reddy	Member

The Risk Management Committee shall provide oversight and will report to the Board of Directors who have the sole responsibility for overseeing all risks. The Company recognises that enterprise risk management is an integral part of good management practice. The purpose of this policy is a system and mechanism to identify the risks, manage the risks and to set a clear guidelines on approach of the Company in handling the risks associated at each level of the organisation. All employees are responsible for managing risks in so far as is reasonably predictable within their area of activity.

Meetings and attendance during the year:

There was no meeting held during the Financial Year 2020-21, as the Risk Management Committee is constituted w.e.f 24th May, 2021.

Role of Risk Management Committee:

- a) To formulate a detailed risk management policy which shall include:
 - i. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - ii. Measures for risk mitigation including systems and processes for internal control of identified risks.
 - iii. Business continuity plan.
- b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- c) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management/mitigating systems;
- d) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

REPORT ON CORPORATE GOVERNANCE (Contd.)**7. Corporate Social Responsibility Committee**

The Corporate Social Responsibility (CSR) Committee has been constituted by the Board of Directors to formulate and recommend to the Board the CSR Policy indicating the activities to be undertaken by the Company in compliance with the provisions of the Act and Rules made there under, allocate the amount of expenditure to be incurred on CSR activities as enumerated in Schedule VII to the Act and monitor the CSR Policy of the Company periodically. The CSR Policy of the Company is displayed on the website of the Company at the link: www.balajiamines.com/investor-relations

As on 31st March, 2021, the CSR Committee comprised of three members, viz. Mr. Kashinath R. Dhole, Independent Director, (Chairman of the Committee), Mr. D. Ram Reddy, Managing Director and Mr. N. Rajeshwar Reddy, Joint Managing Director of the Company. The Committee held four meetings during the year under review. The Committee met on 19th June, 2020, 11th August, 2020, 27th October, 2020 and 5th February, 2021. The composition of the CSR Committee and the details of meetings attended by each of the members are given below:

Details of Corporate Social Responsibility Committee Meetings with Attendance

Name	Designation	Category	No of Meetings attended
Mr. Kashinath R. Dhole	Chairman	Independent Director, Non-Executive	4
Mr. N. Rajeshwar Reddy	Member	Joint Managing Director	4
Mr. D. Ram Reddy	Member	Managing Director	4

Research and Development Committee

Name	Designation	Category
Mr. A. Prathap Reddy	Chairman	Executive Chairman
Mr. N. Rajeshwar Reddy	Member	Joint Managing Director
Mr. A. Srinivas Reddy	Member	Whole-time Director

9. Remuneration of Directors:

- a) All pecuniary relationship or transactions of the non-executive directors
Non-Executive Directors including Independent Directors are entitled to payment of sitting fee for the Board meetings attended by them
- b) Criteria of making payments to non-executive directors: NA
- c) Disclosures with respect to remuneration: in addition to disclosures required under the Companies Act, 2013

The terms of reference of the Corporate Social Responsibility Committee are as under:

The Committee shall take up CSR activities as per the policy. The Committee shall oversee and monitor the spending of the CSR amount and implementation of the CSR activities undertaken.

The committee may report to the board, the status of each activity, utilisation of the earmarked funds, next course of action and also prepare a display / photographs of the works undertaken duly reporting the press clippings to spread the awareness in the regional media to get maximum beneficiaries to be impacted.

8. Research and Development Committee

The Board has constituted Research and Development Committee, to carry out the Research and Development initiations and to monitor the implementation of new R&D plans for identifying the new products, improving the processes etc. to optimize the utilisation of all the resources.

The composition of the Research and Development Committee is given below:

The remuneration paid to Executive Directors is recommended by the NRC Committee and fixed by the Board of Directors and approved by the shareholders in general meetings. The remuneration paid to Executive Directors in pursuant to Sections 196, 197, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013.

- i. All elements of remuneration package of individual directors summarised under major groups, such as salary, Commission, bonuses, etc for 2020-21:

REPORT ON CORPORATE GOVERNANCE (Contd.)**Remuneration paid to Executive Directors for 2020-21**

(Amount in ₹)

Particulars	Mr. A. Prathap Reddy	Mr. D. Ram Reddy	Mr. N. Rajeshwar Reddy	Mr. G. Hemanth Reddy	Mr. A. Srinivas Reddy	Total
Salary, Allowances & Perquisites	52,60,800	44,38,800	44,38,800	44,38,800	39,45,600	2,25,22,800
Benefits	-	-	-	-	-	-
Commission	9,80,55,825	6,44,38,950	6,44,38,950	3,00,00,075	6,49,32,150	32,18,65,950
Sitting Fees	-	-	-	-	-	-
Loans from the Company	-	-	-	-	-	-

Remuneration paid to Non-Executive Directors for 2020-21

(Amount in ₹)

Particulars	Mr. T. Naveena Chandra	Mr. M. Amarender Reddy	Mr. C.S.N. Murthy	Mr. Kashinath R. Dhole	Mrs. Vimala B. Madon	Total
Sitting Fees	74,000	82,000	68,000	68,000	66,000	3,58,000

- ii. Details of fixed component and performance linked incentives, along with the performance criteria; NA
- iii. Service contracts, notice period, severance fees: Company does not have any service contract with the Directors of the Company.
- iv. stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable. Company has not granted any Stock options during the year.

10. General Body Meeting

- a. Venue and time of the preceding of last three Annual General Meetings held:

Year	AGM/EGM	VENUE	Day, Date & Time	Time
2019-20	32nd AGM	Video Conference ("VC")/Other Audio Visual Means ("OAVM")	Saturday, 8th August, 2020	11:30 A.M.
2018-19	31st AGM	Balaji Sarovar Premiere, Balaji Towers, 9/1A/1, Aasara Chowk, Hotgi Road, Solapur - 413 224.	Friday, 26th July, 2019	12:00 Noon
2017-18	30th AGM	Balaji Sarovar Premiere, Balaji Towers, 9/1A/1, Aasara Chowk, Hotgi Road, Solapur - 413 224.	Thursday, 30th August, 2018	11:30 A.M.

b. List of Special Resolutions passed during the last three AGMs**i. No Special Resolutions were passed in 2019-20 AGM****ii. Special Resolutions passed in the 2018-19 AGM:**

- Re-appointment of Mr. T. Naveena Chandra as an Independent Director
- Re-appointment of Mr. M. Amarender Reddy as an Independent Director
- Re-appointment of Mr. C.S.N. Murthy as an Independent Director
- Re-appointment of Mr. Kashinath R. Dhole as an Independent Director
- Re-appointment of Mrs. Vimala B. Madon as an Independent Director
- Approval of remuneration of Mr. A. Prathap Reddy, Executive Chairman in terms of Regulation 17(6)(e) of SEBI Amended Listing Regulations for the remaining tenure of his appointment
- Approval of remuneration of Mr. D. Ram Reddy, Managing Director in terms of Regulation 17(6)(e) of SEBI Amended Listing Regulations for the remaining tenure of his appointment
- Approval of remuneration of Mr. N. Rajeshwar Reddy, Joint Managing Director in terms of Regulation 17(6)(e)

REPORT ON CORPORATE GOVERNANCE (Contd.)

of SEBI Amended Listing Regulations for the remaining tenure of his appointment

- Approval of remuneration of Mr. G. Hemanth Reddy, Whole-time Director & CFO in terms of Regulation 17(6)(e) of SEBI Amended Listing Regulations for the remaining tenure of his appointment
- Approval of remuneration of Mr. A. Srinivas Reddy, Wholetime Director in terms of Regulation 17(6)(e) of SEBI Amended Listing Regulations for the remaining tenure of his appointment
- Approval pursuant to Section 185 of the Companies Act, 2013, Loan to Subsidiary Company

iii. Special Resolutions passed in the 2017-18 AGM:

- Adoption of new set of Articles of Association as per the Companies Act, 2013
- To give loan to Balaji Speciality Chemicals Private Limited, Subsidiary Company

c. Details of Special Resolutions passed last year through postal ballot and details of voting pattern

- The following Special Resolutions were passed through Postal Ballot on 13th December 2020
 - Approval of "Balaji Amines Limited Employee Stock Option Plan - 2020" (ESOP2020)
 - Approval of grant of employee stock options by way of secondary acquisition under "Balaji Amines Limited Employee Stock Option Plan - 2020" (ESOP2020)
 - Approval for Provisioning of money by the Company to the Balaji Amines Employees Welfare Trust / Trustees for purchase of its own shares by the trust / trustee for the benefit of employees under the Balaji Amines Limited Employees Stock Option Plan- 2020)

All the above resolutions were passed through Postal Ballot and Shareholders of the Company were provided e-Voting facility for casting their votes electronically on the said resolutions

Details of voting pattern for the resolutions passed through postal ballot

Sr. No.	Particulars of Special Resolutions passed	Total No. of Valid Votes	Votes Assenting the Resolution	% of Votes Cast	Votes Dissenting the Resolution	% of Votes Cast
1	Approval of "Balaji Amines Limited Employee Stock Option Plan - 2020" (ESOP2020):	18120473	18015889	99.42	104584	0.58
2	Approval of grant of employee stock options by way of secondary acquisition under "Balaji Amines Limited Employee Stock Option Plan - 2020" (ESOP2020)	18120443	18015774	99.42	104669	0.58
3	Approval for Provisioning of money by the Company to the Balaji Amines Employees Welfare Trust / Trustees for purchase of its own shares by the trust / trustee for the benefit of employees under the Balaji Amines Limited Employees Stock Option Plan- 2020):	18120433	18016127	99.42	104306	0.58

d. person who conducted the postal ballot exercise

The Company has provided the remote e-voting services of NSDL and Mr. Mohit Gujar, of M/s. P S Rao & Associates, Practicing Company Secretaries, as the scrutinizer for conducting the postal ballot voting process in a fair and transparent manner.

e. No Special Resolution is proposed to be passed through Postal Ballot.

f. procedure for postal ballot - Not Applicable

11. Means of Communication:

a) Quarterly Results:-

The quarterly, half-yearly and annual results of the Company were normally published by the Company in the newspapers within 48 hours from the conclusion of the Board meeting

Annual reports with audited financial statements are sent to the shareholders through permitted mode and are displayed on the Company's website at www.balajiamines.com/investor-relations

REPORT ON CORPORATE GOVERNANCE (Contd.)**b) Newspapers wherein results normally published:-**

The Company publishes its quarterly, half-yearly and annual results in Business Standard (in English) and any one of Lokmat Times, Divya Marathi, Dainik Pudhari, Sakal, Tarun Bharat, Sanchar (in regional language) dailies.

c) Any Website, Where Displayed:-

The results are displayed on the Company's website at www.balajiamines.com/investor-relations

d) Whether it is also displays official news releases:-

The newsletters and press releases from time to time were also displayed on the Company's website.

e) Presentations made to institutional investors or to the analysts:-

Any presentation made to the institutional investors or/and analysts are also posted on the Company's website and were intimated to the Stock Exchanges

Sr. No.	12. GENERAL INFORMATION TO SHAREHOLDERS	
a.	Annual General Meeting Date, Time and Venue	Monday, 9th August, 2021 at 11.30 AM through Video Conference ("VC")/ Other Audio Visual Means ("OAVM")
b.	Date of Book Closure	The share transfer books and the Register of Members will be closed on 2nd August, 2021 to 9th August, 2021 (both days inclusive)
c.	Financial year	1st April to 31st March
d.	Dividend Payment Date	The proposed dividend, if approved at the ensuing Annual General Meeting (AGM) on Monday, 9th August, 2021 will be distributed within 30 days of Annual General Meeting.
e.	Name and address of stock exchanges	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. National Stock Exchange of India Limited, Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.
f.	Listing fees	The Company has paid the annual listing fees for the year 2021-2022 to both the above stock exchanges.
g.	Security Code	BSE : 530999 NSE: BALAMINES
h.	ISIN Code	INE050E01027
i.	Registrar and Share Transfer Agents	Venture Capital and Corporate Investments Pvt. Ltd 12-10-167, Bharat nagar, Hyderabad - 500018 Ph:040-23818475/476; Fax:040-23868024; email: info@vccilindia.com
j.	Share Transfer System	As per SEBI Circulars that securities of listed companies can be transferred only in dematerialised form and hence members are advised to dematerialise the shares held for any transfer of shares.
k.	Outstanding GDRs/ADRs/ Warrants or any Convertible Instruments	As on 31st March, 2021, the Company did not have any outstanding GDRs/ADRs/Warrants or any Convertible Instruments.
l.	list of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilisation of funds, whether in India or abroad	Not applicable. However, we have obtained credit rating report from 'India Ratings & Research' to share with Company's bankers, who have extended working capital and term loan funding.

REPORT ON CORPORATE GOVERNANCE (Contd.)

Sr. No.	12. GENERAL INFORMATION TO SHAREHOLDERS	
m.	Plant Locations	Unit 1 : Tamalwadi Village,Taluka- Tuljapur, Osmanabad District - 413 623, Maharashtra. Unit 2 : Plot No. 4 & 5, Beside Sub - Station 2 IDA Bollaram, Sangareddy District - 502 325, Telangana. Unit 3 : Plot No. E - 7 & 8, Chincholi MIDC, Taluka Mohol, Solapur - 413 255, Maharashtra. Unit 4 : Plot No. F - 104, Chincholi MIDC, Taluka Mohol, Solapur - 413 255, Maharashtra. Unit 5 : Nandi Kandi, Sadasivpet, Sangareddy District, Telangana. Hotel Division: Balaji Sarovar Premiere, Survey No. 9/1A/1, Aasara Chowk, Hotgi Road, Solapur-413 224.
n.	Address for the correspondence	D Ram Reddy Managing Director and Compliance Officer Balaji Amines Limited. Balaji Towers No. 9/1A/1, Hotgi Road, Aasara Chowk, Solapur - 413 224. Email: cs@balajiamines.com
o.	Financial Reporting Calendar (Indicative)	
	Quarter ending 30th June, 2021	Fourth Week of July, 2021
	Half-year ending 30th September, 2021	Fourth Week of October, 2021
	Quarter ending 31st December, 2021	Fourth Week of January, 2022
	Year ending 31st March, 2021	First or Second Week of May, 2022

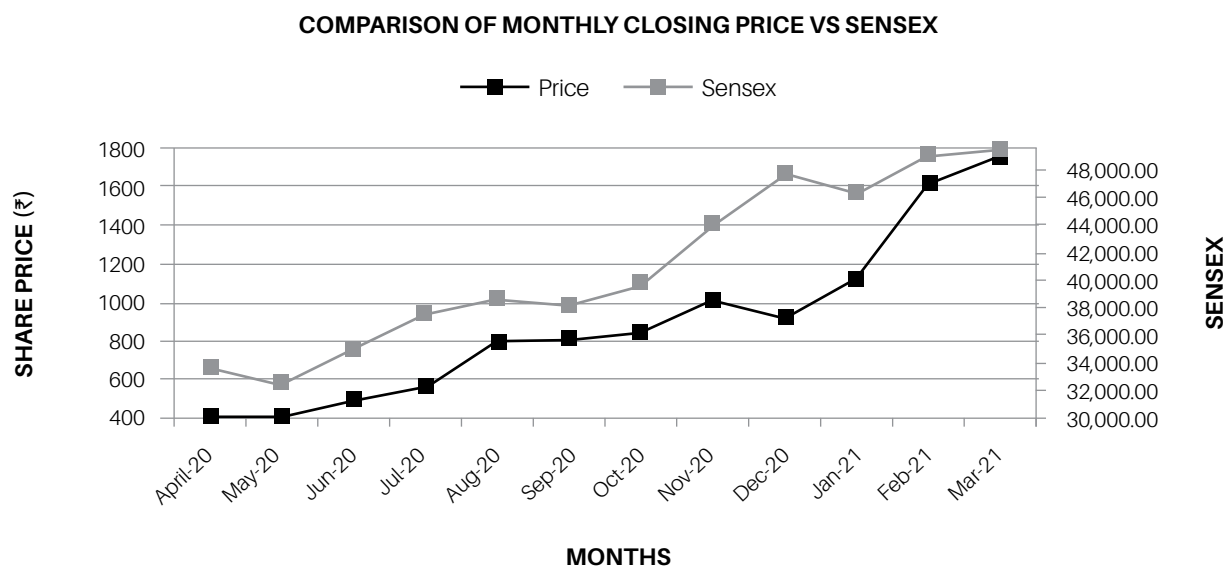
p. Month-Wise Market Price data during the year ended 31st March, 2021

(Amount in ₹)

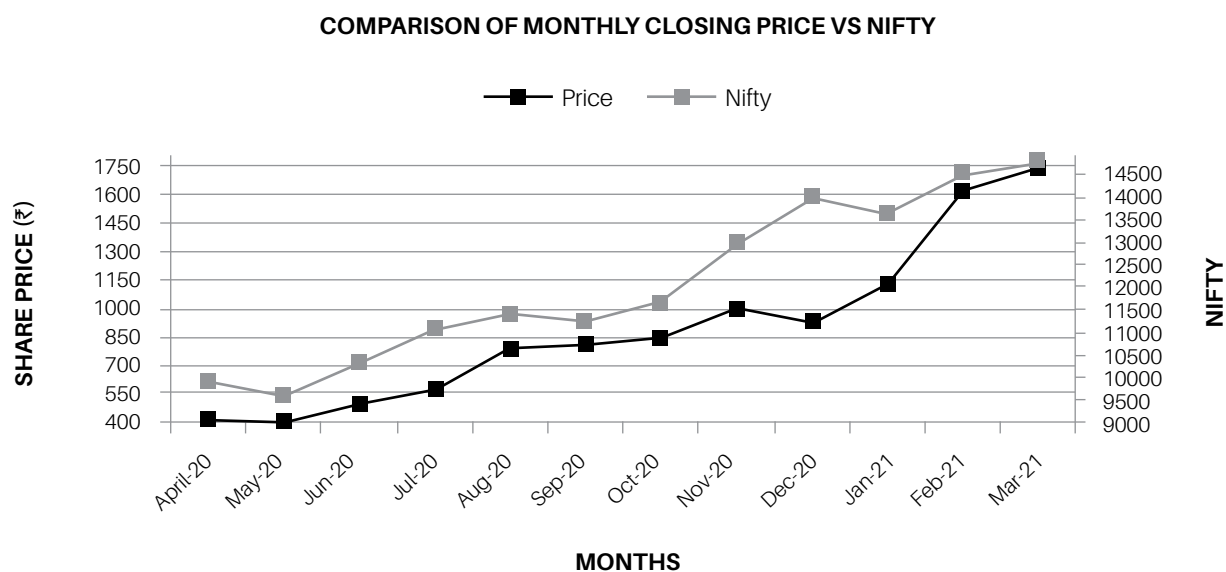
MONTH	BSE		NSE	
	High Price	Low Price	High Price	Low Price
Apr- 20	485.00	241.50	478.95	241.3
May- 20	428.95	358.25	428.7	356.2
Jun- 20	543.95	389.20	543.7	389.9
July- 20	646.80	497.60	638.65	495
Aug- 20	995.00	567.40	987	566.45
Sep- 20	949.70	744.00	914	741.65
Oct- 20	887.70	787.10	887.00	795
Nov- 20	1,054.00	792.20	1054.55	800
Dec- 20	1,034.40	850.00	1035	850
Jan- 21	1,124.85	928.00	1277.75	927.05
Feb- 21	1,629.60	1,115.05	1754	1122.05
Mar - 21	1,762.85	1,553.85	1905.55	1555

REPORT ON CORPORATE GOVERNANCE (Contd.)

q. BAL's share performance versus BSE Sensex



r. BAL's share performance versus Nifty



s. Distribution of Shareholding as at 31st March, 2021

Distribution details on Face Value as at 31st March, 2021

Nominal Value	Number	% of total	In ₹	% of the total
Upto 5000	32600	98.39	6761386	10.43
5001 - 10000	257	0.78	1982060	3.06
10001-20000	124	0.37	1854400	2.86
20001-30000	40	0.12	984320	1.52
30001-40000	16	0.05	561150	0.87
40001-50000	18	0.05	812698	1.25
50001-100000	36	0.11	2636196	4.07
100001 and above	41	0.12	49209790	75.94
Total	33132	100	64802000	100

REPORT ON CORPORATE GOVERNANCE (Contd.)**t. Dematerialisation of Shares and Liquidity**

As on 31st March, 2021, 3,20,50,910 number of Equity Shares of 2/- each representing 98.92% of the total no. of shares are in dematerialised form. There were no pending transfers as on 31st March, 2021.

u. Commodity price risk or foreign exchange risk and hedging activities

The Company imports its major raw material and hence there is a commodity price risk and also foreign exchange risk. The Company imports in bulk quantities against spot prices or annual contracts with the suppliers where the Company gets the price advantage on the bulk / contract purchase. Since the Company is also having exports the exchange risk is partly covered by natural hedge (by way of exports). The Company also carries hedging activities basing on the market conditions on case to case basis.

13. Other Disclosures:-

- a. The particulars of transactions between the Company and its related parties are set out at Notes to financial statements. However these transactions are not likely to have any conflict with the Company's interest.
- b. There are no non-compliances in the last three years by the Company on any matter related to Capital Market and there were no penalties imposed nor strictures passed on the Company by any Stock Exchange, SEBI or any other Statutory Authority during the year.
- c. The Whistle Blower (Vigil) mechanism provides a channel to the employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy and also provides for adequate safeguards against victimisation of employees by giving them direct access to the Chairman of the Audit Committee in exceptional cases. No person has been denied access to the Chairman of the Audit Committee.

The Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of Company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees. The Whistle Blower Policy of the Company is also posted on the website of the Company <http://www.balajiamines.com/investor-relations>

- d. The Company has complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The status of compliance with the discretionary requirements under Regulation 27(1) of SEBI Listing Regulations are as under:

Separate posts of chairperson and chief executive officer: The office of Chairman and that of Managing Director of the Company are held by different persons.

- e. The Company has formulated a policy pursuant to provisions of Chapter IV of SEBI Listing Regulations to determine material subsidiaries. The policy is posted on the website of the Company and the web link for the same is: <http://www.balajiamines.com/investor-relations>
- f. The Related Party policy is hosted in the website of the Company at the link <http://www.balajiamines.com/investor-relations>

g. Commodity price risk and Commodity hedging activities

The Company imports its major raw material and hence there is a commodity price risk. The Company imports in bulk quantities against spot prices or annual contracts with the suppliers where the Company gets the price advantage on the bulk / contract purchase. The Company also carries hedging activities basing on the market conditions on case to case basis.

- h. Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)- Not Applicable
- i. A certificate from a company secretary in practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority has been enclosed as separately to this report as Annexures to CG Report.
- j. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year- There are no such instances during the year and the Board considered and accepted the recommendations of all the Committees.
- k. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part- ₹ 21,50,000/-.

REPORT ON CORPORATE GOVERNANCE (Contd.)

- I. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The policy aims to provide protection to Employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where Employees feel secure. Company has formed internal compliance committee to monitor and address any complaints under this provisions.

Company has not received any complaints on sexual harassment during the year.

14. Company has complied with all the provisions of Corporate Governance
15. The Company has complied with all the requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46.
16. The extent to which the discretionary requirements as specified in Part E of Schedule II have been NIL

17. 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.

18. Compliance Certificate from Auditors

Certificate from Auditors of the Company M/s. Ayyadevara & Co confirming compliance with the conditions of corporate Governance as stipulated Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed herewith as Annexures to CG Report.

19. Prohibition of Insider Trading

As required under the SEBI (Prohibition of Insider Trading) Regulations, 2015, your Company has framed Code of Conduct for Prevention of Insider Trading and

Code of Corporate Disclosure Practices and Policy for Procedure of Inquiry In Case of Leak of Unpublished Price Sensitive Information ("UPSI") for Details Please refer to the Company's website <http://www.balajiamines.com/investor-relations>

20. CEO/CFO Certificate

Mr. D. Ram Reddy, Managing Director and Mr. G. Hemanth Reddy, Whole-time Director & CFO has issued certificate under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which is annexed and forms part of this report as Annexures to CG Report.

21. Secretarial Standards

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India.

22. Investor Education and Protection Fund (IEPF)

In terms of Section 123, 124 and 125 of the Companies Act, 2013, the unclaimed dividends for the year 2012 - 13 and shares wherein the dividends were unclaimed for a period of seven consecutive years has been transferred to the IEPF Fund/Suspense account respectively.

The details of shares transferred are available in the website of the Company. Further, as per the provisions of Section 125, the share(s) wherein the dividend is unclaimed for a period of consecutive seven (7) years will be transferred to the suspense account as prescribed by the IEPF Rules, therefore the shareholders whose dividends are unclaimed for seven consecutive years are requested to claim their unclaimed dividend at the earliest. Shareholders are requested to write to the Company or RTA for claiming their unclaimed dividends. (list of the shareholders along with the unclaimed dividend details are available on the website of the Company www.balajiamines.com)

For and on Behalf of the Board of Directors

Sd/-

A. Prathap Reddy

Executive Chairman

DIN: 00003967

Date: 24th May, 2021

Place: Secunderabad

ANNEXURES TO CORPORATE GOVERNANCE REPORT

(i) CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members of
Balaji Amines Limited
Solapur

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of BALAJI AMINES LIMITED having CIN: L7499L24132MH1988PLC049387 and having registered office at BALAJI TOWERS, No. 9/1A/1, Hotgi Road, Aasara Chowk, Solapur, Maharashtra 413224 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(ii) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India or Ministry of Corporate Affairs or any other Statutory Authority

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	ANDE PRATAP REDDY	00003967	01.04.2013
2	ANDE SRINIVAS REDDY	03169721	30.09.2013
3	RAJESHWAR REDDY NOMULA	00003854	16.11.1988
4	RAM REDDY DUNDURAPU	00003864	15.01.1989
5	HEMANTH REDDY GADDAM	00003868	01.04.2010
6	SATYANARAYANA MURTHY CHAVALI	00142138	30.01.2012
7	NAVEENA THAMMISHETTY CHANDRA	00231636	24.06.1996
8	KASHINATH REVAPPA DHOLE	01076675	11.05.2013
9	AMARENDER REDDY MINUPURI	05182741	31.01.2012
10	VIMALA BEHRAM MADON	06925101	28.07.2014

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **P.S. Rao & Associates**
Company Secretaries

P S Rao
Partner
M. No. F10322
C P No: 3829
UDIN: F01032C000358441

Place: Hyderabad
Date: 22.05.2021

ANNEXURES TO CORPORATE GOVERNANCE REPORT (Contd.)**(ii) SECRETARIAL COMPLIANCE REPORT**

To
Board of Directors
Balaji Amines Limited
Balaji Tower,
No. 9/1A/1, Hotgi Road,
Asara Chowk, Solapur,
Maharashtra, INDIA.

We P S. Rao & Associates Company Secretaries have examined:

- (a) all the documents and records made available to us and explanation provided by M/s Balaji Amines Limited, having its registered office at Balaji Tower, No. 9/1A/1, Hotgi Road, Asara Chowk, Solapur, Maharashtra, INDIA, hereinafter referred to as **"the listed entity"**
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31.03.2021 ("01.04.2020 to 31.03.2021") in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include: -

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - **Not Applicable during the reporting period**
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - **Not Applicable during the reporting period**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not Applicable during the reporting period**
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; - **Not Applicable during the reporting period**
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) The Depositories Act, 1996
- (j) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client and circulars/ guidelines issued thereunder; and based on the above examination, I/We hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder,
- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.

ANNEXURES TO CORPORATE GOVERNANCE REPORT (Contd.)

- (c) There were no instances of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder during the Reporting period:
- (d) There were no observations made in previous reports issued to the Company.
- (e) Since the Auditor has already been appointed, the terms of appointment of the Auditor have been suitably modified to give effect to 6(A) and 6 (B) of SEBI Circular No. CIR/CFD/CMD1/114/2019 dated October 18, 2019

For **P.S. Rao & Associates**
Company Secretaries

P S Rao
Partner
M. No. F10322
C P No: 3829
UDIN: F01032C000358441

Place: Hyderabad
Date: 22.05.2021

ANNEXURES TO CORPORATE GOVERNANCE REPORT (Contd.)**(iii) CEO /CFO CERTIFICATION TO THE BOARD****[Pursuant to Regulation 17 (8) under Chapter IV of Securities Exchange board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

We, D. Ram Reddy, Managing Director and G. Hemanth Reddy, Whole-time Director and Chief Financial Officer of the Company responsible for the finance function hereby certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year 2020-21 and that to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) 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 regulation.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year 2020-21, which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of 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 such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee :
 - (i) significant changes in internal control over financial reporting during the year 2020-21
 - (ii) significant changes in accounting policies during the year 2020-21 and that the same have been disclosed in the notes to the financial statements;
 - (iii) 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 financial reporting.

Sd./-

D. Ram Reddy

Managing Director

DIN: 00003864

Sd./-

G. Hemanth Reddy

Whole-time Director & CFO

DIN: 00003868

Date: 24.05.2021

Place: Secunderabad

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 31st March, 2021 as envisaged in the Chapter IV of the Securities Exchange board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sd./-

D. Ram Reddy

Managing Director

DIN: 00003864

Date: 24.05.2021

Place: Secunderabad

ANNEXURES TO CORPORATE GOVERNANCE REPORT (Contd.)

**(iv) INDEPENDENT AUDITORS' CERTIFICATE ON
CORPORATE GOVERNANCE**

To the Members of Balaji Amines Limited,

We have examined the compliance of conditions of Corporate Governance by Balaji Amines Limited ('the Company'), for the Financial Year ended 31st March, 2021 as stipulated under the relevant provisions of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('Listing Regulation').

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedure 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 the opinion on the financial statements of the Company.

In our opinion, and to the best of the 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 Regulations, as applicable.

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.

Sd./-

For **Ayyadevara & Co.,**
Chartered Accountants .
FRN No. 000278S

Ayyadevara Srinivas

Proprietor
ICAI Membership No. 028803

Date: 24.05.2021
Place: Hyderabad

FINANCIAL STATEMENTS: 95-150

STANDALONE: 95-125

CONSOLIDATED: 126-150

INDEPENDENT AUDITOR'S REPORT

To the Members of **Balaji Amines Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Balaji Amines Limited ("the Company"), which comprise the balance sheet as at 31st March, 2021, and the statement of profit and loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, and its profit/loss, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sl. No.	Key Audit Matter	Auditor's Response
1.	Land allotted by MIDC to the Company at Chicholi, Maharashtra. The Company has made a payment of ₹ 16.56 Cr. towards upfront lease premium to MIDC, against a 95 years' lease. The Company has started incurring capital expenditure on the land. However, the lease agreement is yet to be entered and registered with the concerned registering authority. The land has been handed over to the Company through a possession letter.	We have ascertained the land allotment procedure of MIDC and also perused the land allotment and possession documents. We have obtained an opinion that the allotment of the land and subsequent issue of the 'possession letter' is confirming the lease for the specified period. We are informed that the final registration will take place upon issue of completion certificate by the concerned authorities.
2.	Disputed Tax Demands The Company is in dispute in respect of Income Tax Assessments for four years and the aggregate of the tax demand in respect of these Four years is ₹ 287.24 Lacs. The matter is in appeal before the first appellate authority, i.e., Commissioner of Income Tax (Appeals). The Company has made a payment of part of the amount pending outcome of the appeal and the same is accounted for as an advance (Current Assets). This position involves uncertainty about the possible outcome of these disputes and consequent recovery of the part payments so made.	We have obtained and considered an expert opinion on the matters involved in these appeals and also the judicial precedents. We have evaluated the same to assess whether there should be a change in the management's position on the sustainability and recoverability of the amounts paid against the disputed demands

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

INDEPENDENT AUDITOR'S REPORT (Contd.)

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial

statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards

INDEPENDENT AUDITOR'S REPORT (Contd.)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken

on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note VI-16 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Ayyadevara & Co.,**
Chartered Accountants
Firm's Registration No.000278S

Ayyadevara Srinivas
Proprietor
Membership No.28803
Hyderabad. 24th May, 2021.
UDIN: 21028803AAAAV3436

ANNEXURE A

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS

[Referred to in para 1 under the heading 'Report on Other Legal and Regulatory Requirements']

1. a. The Company is maintaining proper records showing full particulars, including quantitative details and details about the situation of fixed assets.
- b. These fixed assets have been verified by the Management at reasonable intervals. According to information and explanations given to us no material discrepancies have been noticed on such verification.
- c. During the financial year 2017-18, amalgamation took place between the Company and two of its subsidiaries, viz., Balaji Greentech Products Limited and Bhagyanagar Chemicals Limited. The immovable properties acquired by the Company through the said amalgamation are yet to be registered in the name of the Company. The Company has made an application to the concerned authorities which is pending disposal. Except as mentioned above, the title deeds of immovable properties belonging to the Company are held in the name of the Company.
2. The physical verification of the inventories has been conducted at reasonable intervals during the year and according to information and explanations furnished to us, no material discrepancies were noticed during such verification.
3. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. The provisions of section 186 of companies Act, 2013 have been complied with, in respect of investment made by the Company in the subsidiary Balaji Specialty Chemicals Private Limited, loan given to the said subsidiary and guarantee provided for amounts borrowed by the subsidiary from the financial institutions / banks.
5. The Company has not accepted any Deposits.
6. In respect of the records maintained by the Company under Rules made by the Central Government for maintenance of Cost Records under section 148(1) of the Companies Act, 2013, we have broadly reviewed the same and we are of the opinion, that the prescribed accounts and records have been kept and maintained. However, we have not carried out a detailed audit of such records.
7. a. There are no undisputed statutory dues that are outstanding for more than six months from the date they became payable.
- b. The Company did not incur any dues on account of any dispute in respect of Sales Tax or Customs, Excise Duty, Service Tax or GST. The particulars of disputed demands relating to Income Tax are as under;
 - i. ₹ 17.60 Lacs (relating to Assessment Year 2013-14)
 - ii. ₹ 231.08 Lacs (relating to Assessment Year 2014-15)
 - iii. ₹ 9.25 Lacs (relating to Assessment Year 2016-17)
 - iv. ₹ 29.31 Lacs (relating to Assessment Year 2017-18)

The disputes are in respect of additions made in assessment under section 143(3) of the Income Tax Act, 1961 and the same are in appellate proceedings before the first appellate authority viz., Commissioner of Income Tax (Appeals), Pune.

The Company has deposited an amount of ₹ 87.38 Lacs in aggregate against the demands for the said Four years and obtained stay of collection of the balance disputed demand till disposal of the first appeal.
8. The Company has not defaulted in repayment of borrowings from Financial Institutions / Banks. The Company does not have any borrowings from Government or Debenture holders. During the year the Company has repaid the borrowings from financial institutions / banks and as on 31st March, 2021 there are no borrowings.
9. The Company has not raised any monies by way of any Public Offer or Term Loans during the year under review.
10. To the best of our information and according to explanations given to us no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year under review.
11. The managerial remuneration paid / provided by the Company is in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. The Company is not a *Nidhi Company*.
13. The transactions with related parties are in compliance with the provisions of section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable Accounting Standards.

ANNEXURE A
TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS (Contd.)

-
14. The Company has not made any preferential allotment or private placement of shares or debentures during the year under review.
-
15. The Company has not entered into any non-cash transactions with its Directors or persons connected with them.
-
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
-

For **Ayyadevara & Co.,**
Chartered Accountants
FRN: 000278S

Ayyadevara Srinivas
Proprietor
ICAI Membership No. 028803
Hyderabad. 24th May, 2021.

ANNEXURE "B"

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Balaji Amines Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Balaji Amines Limited (the "Company") as of 31st March, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing

the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over

ANNEXURE "B"
TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal financial control over financial reporting criteria established by the Company considering

the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Ayyadevara & Co.,**
Chartered Accountants
Firm's Registration No.000278S

Ayyadevara Srinivas
Proprietor
Membership No.28803
Hyderabad. 24th May, 2021.

STANDALONE BALANCE SHEET

AS AT 31st MARCH, 2021

Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
1. Non - current assets			
a. Property, plant and equipment	2	3,44,33,87,528	3,63,39,67,511
b. Capital work-in-progress	3	1,73,27,57,327	46,26,67,366
c. Investment Property		-	-
d. Goodwill		-	-
e. Other Intangible assets		-	-
f. Intangible assets under development		-	-
g. Biological Assets other than bearer plants		-	-
h. Financial Assets			
(i) Investments	4	66,00,00,000	66,00,00,000
(ii) Trade Receivables		-	-
(iii) Loans	5	77,34,76,847	46,34,76,847
(iv) Others	6	1,33,80,19,875	1,62,50,19,890
i. Deferred tax assets (net)		-	-
j. Other non-current assets	7	10,81,50,751	26,94,22,081
2. Current assets			
(a) Inventories	8	95,92,57,207	92,18,27,889
(b) Financial Assets			
(i) Investments	9	10,000	47,50,10,000
(ii) Trade Receivables	10	2,72,34,93,128	1,90,84,83,392
(iii) Cash and cash equivalents	11	15,36,70,554	2,83,34,053
(iv) Bank balances other than (iii) above	12	2,28,85,800	4,42,93,408
(v) Loans		-	-
(vi) Others		-	-
(c) Current Tax Assets (Net)		73,75,82,846	40,05,09,268
(d) Other current assets	13	26,52,27,346	15,17,87,408
Total Assets		12,91,79,19,209	11,04,47,99,113
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	14	6,48,02,000	6,48,02,000
(b) Other Equity			
(i) Reserves and surplus	15	8,90,92,71,406	6,61,16,02,378
Non controlling interest of Subsidiary			
LIABILITIES			
1. Non - current liabilities			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade payables	16	12,28,26,089	3,15,71,049
(iii) Other financial liabilities (other than those specified in item (b))	17	1,32,61,89,007	1,60,78,88,059
(b) Provisions			
(c) Deferred tax liabilities (Net)	18	48,66,74,473	49,99,25,961
(d) Other non-current liabilities	19	96,85,366	23,64,450
2. Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	-	1,02,36,14,660
(ii) Trade payables	21	73,52,43,000	56,18,94,664
(iii) Other financial liabilities (other than those specified in item (c))	22	2,37,73,160	-
(b) Other current liabilities	23	3,59,94,383	3,47,26,259
(c) Provisions	24	38,99,60,325	20,64,09,633
(d) Current Tax Liabilities (Net)	25	81,35,00,000	40,00,00,000
Total Equity and Liabilities		12,91,79,19,209	11,04,47,99,113
Significant Accounting Policies and other information	1		

Notes 1 to 32 form part of Financial Statements

As per our report of even date
For Ayyadevara & Co.,
Chartered Accountants
FRN: 000278S

For and on behalf of Board of Directors

Ayyadevara Srinivas
Proprietor
ICAI Membership No. 028803
Hyderabad, 24th May, 2021.
UDIN: 21028803AAAAV3436

A Prathap Reddy
Executive Chairman
DIN 00003967

G Hemanth Reddy
Whole Time Director & CFO
DIN 00003868

D.Ram Reddy
Managing Director
DIN 00003864

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE PERIOD ENDED 31ST MARCH, 2021

Sl. No.	Particulars	Note No.	For the Period ended 31st March, 2021	For the Period ended 31st March, 2020
I	Revenue from operations	26	12,27,77,94,903	9,19,05,41,044
II	Other income	27	12,03,03,754	10,26,28,441
III	Total Revenue (I+II)		12,39,80,98,657	9,29,31,69,485
IV	EXPENSES			
	Cost of Material Consumed	28	6,12,35,02,796	4,82,17,01,811
	Changes in inventories of finished goods and work-in-progress	29	10,34,22,860	28,99,76,360
	Employee benefits expense	30	65,67,58,288	49,62,43,855
	Finance costs	31	5,33,46,894	12,13,22,979
	Depreciation and amortisation expense	2	23,34,30,161	24,18,13,950
	Other expenses	32	2,12,79,25,296	1,78,49,69,482
	Total Expenses (IV)		9,29,83,86,295	7,75,60,28,437
V	Profit/(loss) before exceptional items and tax (III - IV)		3,09,97,12,362	1,53,71,41,048
VI	Exceptional items			
VII	Profit/(loss) before tax (V + VI)		3,09,97,12,362	1,53,71,41,048
VIII	Tax Expenses:			
	1. Current Tax		81,35,00,000	40,00,00,000
	2. Deferred Tax		(1,32,51,488)	4,24,25,058
	3. Adjustments of earlier year tax provisions		(1,76,45,778)	(4,28,14,639)
IX	Profit (Loss) for the period from continuing operations (VII-VIII)		2,31,71,09,628	1,13,75,30,629
X	Profit/(loss) from discontinued operations		-	-
XI	Tax expense of discontinued operations		-	-
XII	Profit/(loss) from discontinued operations (after tax) (X-XI)		-	-
XIII	Profit /Loss for the period (IX + XII)		2,31,71,09,628	1,13,75,30,629
XIV	Other Comprehensive Income		-	-
	A (i) items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XV	Total Comprehensive Income for the period (XIII + XIV) (Comprising profit/loss and other Comprehensive Income for the period)		2,31,71,09,628	1,13,75,30,629
	Attributable to:			
	(a) Shareholders of the Company			
	(b) Non-controlling interests			
XVI	Earning per equity share (for continuing operation):			
	(1) Basic		71.51	35.11
	(2) Diluted		71.51	35.11
XVII	Earning per equity share (for discontinued operation):			
	(1) Basic		-	-
	(2) Diluted		-	-
XVIII	Earning per equity share (for discontinued & continuing operations)			
	(1) Basic		71.51	35.11
	(2) Diluted		71.51	35.11
Significant Accounting Policies and other information		1		

Notes 1 to 32 form part of Financial Statements

As per our report of even date
For **Ayyadevara & Co.,**
Chartered Accountants
FRN: 000278S

For and on behalf of Board of Directors

Ayyadevara Srinivas
Proprietor
ICAI Membership No. 028803
Hyderabad, 24th May, 2021.
UDIN: 21028803AAAAAV3436

A Prathap Reddy
Executive Chairman
DIN 00003967

G Hemanth Reddy
Whole Time Director & CFO
DIN 00003868

D.Ram Reddy
Managing Director
DIN 00003864

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2021

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Sr. No.	Particulars		Current Year 31st March, 2021	Previous Year 31st March, 2020
A	Cash flows from operating activities			
	Profit before interest and tax		3,15,30,59,256	1,65,84,64,027
	Other income considered		(12,03,03,754)	(10,26,28,441)
	Depreciation		23,34,30,161	24,18,13,950
	Increase (+)/ Decrease (-) in Current Liabilities		(64,16,74,348)	(17,90,49,564)
	Increase (-)/ Decrease (+) in Inventories		(3,74,29,318)	50,43,29,077
	Increase (-)/ Decrease (+) in Debtors		(81,50,09,736)	(23,62,99,621)
	Increase (-)/ Decrease (+) in Other Current Assets		(11,34,39,938)	(2,63,33,626)
	Increase (-)/ Decrease (+) in Current Tax Assets		(33,70,73,578)	13,21,62,624
	Income Tax Paid		(38,23,54,222)	(51,71,85,361)
	Cash flow from Operating Activities	A	93,92,04,523	1,47,52,73,065
B	Cash Flow From Investing Activities			
	Purchase of Fixed Assets		(1,31,93,71,527)	(52,33,36,475)
	Sale of Fixed Assets		64,31,388	8,67,451
	Increase (-)/ Decrease (+) in Loans		(31,00,00,000)	(13,69,00,000)
	Increase (-)/ Decrease (+) in Other Financial Assets		8,86,676	(1,27,93,659)
	Increase (-)/ Decrease (+) in Non Current Assets		16,12,71,330	(25,32,95,378)
	Increase (-)/ Decrease (+) in Current Investments		47,50,00,000	(47,50,05,000)
	Other Income		12,03,03,754	10,26,28,441
	Cash flow from Investing activities	B	(86,54,78,379)	(1,29,78,34,620)
C	Cash Flow from Financing Activities			
	Increase (+)/ Decrease (-) in Other Long Term Financial Obligations		44,14,287	2,05,37,548
	Increase (+)/ Decrease (-) in Trade Payables		9,12,55,040	11,34,026
	Increase (+)/ Decrease (-) in Other non-current liabilities		73,20,916	23,64,450
	Interest paid		(5,33,46,894)	(12,13,22,979)
	Dividend paid		(1,94,40,600)	(21,11,29,981)
	Cash Flow from Financing Activities	C	3,02,02,749	(30,84,16,936)
D	Net increase/(decrease) in cash and cash equivalents (A+B+C)		10,39,28,893	(13,09,78,491)
E	Cash and cash equivalents (beginning of the year)		7,26,27,461	20,36,05,952
F	Cash and cash equivalents (end of the year)		17,65,56,354	7,26,27,461
G	Increase/(decrease) in cash and cash equivalents (closing minus opening balances)		10,39,28,893	(13,09,78,491)

Notes 1 to 32 form part of Financial Statements

As per our report of even date
For **Ayyadevara & Co.,**
Chartered Accountants
FRN: 000278S

For and on behalf of Board of Directors

Ayyadevara Srinivas
Proprietor
ICAI Membership No. 028803
Hyderabad, 24th May, 2021.
UDIN: 21028803AAAAAV3436

A Prathap Reddy
Executive Chairman
DIN 00003967

G Hemanth Reddy
Whole Time Director & CFO
DIN 00003868

D.Ram Reddy
Managing Director
DIN 00003864

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

1. SIGNIFICANT ACCOUNTING POLICIES AND OTHER INFORMATION

I. Company Overview

Balaji Amines Limited (BAL) is a public limited company incorporated and domiciled in India. The Registered office of BAL is situated in Solapur, Maharashtra, India. the equity shares of BAL are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE), in India. BAL is engaged in the business of manufacture and sale of Speciality Chemicals, Aliphatic Amines and derivatives. BAL has its two manufacturing facilities / plants at Tuljapur and Chincholi in Maharashtra and one at Medak, Telangana. BAL owns a Five Star Hotel in Solapur, Maharashtra. BAL has CFL lamps facility at Medak, Telangana. BAL mainly operates in three segments i.e., Specialty Chemicals and Amines, Hotel and CFL Lamps. A new facility for manufacture of Speciality Chemicals is under construction at Chicholi, Maharashtra.

II. Compliance with Indian Accounting Standards

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) as notified under section 133 of the Companies Act, 2013 (the Act), read with Companies (Indian Accounting Standard) Rules 2015. The Company has uniformly applied all the applicable accounting policies during the periods presented.

III. Reporting Currency

The Financial statements are presented in Indian Rupees which is also the functional and presentation currency of the Company and all amounts are rounded off to nearest rupee.

IV. Overall Considerations

The financial statements have been prepared using significant accounting policies that are in effect as at 31st March, 2021 as presented in detail hereunder.

V. COVID-19 Impact

The Company has evaluated the impact of Coronavirus (COVID-19) impact on the operations and future economic activity of the Company and based on its review and current indicators and future economic prospects there is no significant impact on the business of the Company or its operations.

VI. Accounting Policies and Other Information

1. System of Accounting:

- i. The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.

- ii. The financial statements have been prepared in all material respects with Indian Accounting Standards as relevant and notified by the Central Government.
- iii. The financial statements are prepared as a going concern and on historical cost basis except for certain financial assets and liabilities that are measured at fair value where mandated or required by the relevant Indian Accounting Standard.

2. Revenue recognition:

- i. Revenues are generally recognized in all material aspects in accordance with Ind AS 115.
- ii. Sale of goods is recognized at the point of dispatch of goods to customers, i.e. when the substantial rights of ownership and risks are passed on to the customers. Gross sale is exclusive of GST.
- iii. Income from guest accommodation in respect of hotel division is recognized on day to day basis after the guests checks-in. Discounts if any in this regard are accounted upon final conclusion of the bill with the guests. Advance, if any, received against room bookings are treated as a liability pending finalization of bill / provision of services.
- iv. Income from sale of Food & Beverages is recognized at the point of serving of these items to the guests. The income stated is exclusive of Taxes.
- v. Dividends from investment are recognized as income of the year in which the same are declared by in the investee company.
- vi. Interest income is recognized on accrual basis taking into account the amount outstanding and rate applicable.

3. Property, plant and equipment:

Property, plant and equipment acquired by the Company are reported at acquisition value. The acquisition cost for this purpose includes the purchase price (net of duties and taxes which are recoverable in future) and expenses directly attributable to the asset to bring it to the site and in the working condition for its intended use. Interest during construction period up to the date of commencement of operations, indirect project expenditure and trial run expenditure (net of trial run income, if any) incurred in respect of projects

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

under implementation are capitalized to the asset constructed / created. Spares and tools that are not in the nature of 'Property, Plant & Equipment' are treated as part of inventories. The costs incurred for the repairs and maintenance of these assets are charged to revenue.

The cost of assets under construction as on the Balance Sheet date, are classified under the head "capital work in progress" and will be capitalized as and when put to use.

Land allotted by MIDC on long lease basis is treated as "Lease Hold Land" on the basis of possession letter from MIDC (the Lessor), pending execution of lease agreement. The one-time lump sum premium paid at the time of allotment is amortized over the period of the 95-year lease. The lease amortization relating to the period prior to the commencement of commercial operations on the land so allotted will be capitalized as part of 'indirect project expenditure'.

4. Depreciation

Depreciation / amortization on fixed assets is provided on straight line method in accordance with Schedule II of the Companies Act, 2013 in respect of the remaining useful life. The management estimates the useful lives of the assets based on the indicative life span prescribed in Schedule II of the Companies Act, 2013. The useful life of the assets and their respective residual values are reviewed at the end of each financial year and adjusted accordingly.

5. Investments: Investments are stated at cost of acquisition.

6. Inventories:

- a) Finished goods 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. Cost for this purpose, does not include duties/taxes that are recoverable in future.
- d) Food & Beverages:
 1. Groceries: Groceries are valued at cost arrived at on weighted average basis.
 2. Beverages: Valued at cost.

7. Trade Receivables

Trade receivables are stated at the recoverable values. Assessment is made on a periodical basis to assess the credit risk in respect of the credit

extended to the customers and adjustments are carried out where necessary and found expedient. Provision, if any, made for the doubtful debts is charged to revenue.

8. Staff Benefits:

- a. Provident Fund Contributions are accounted on accrual basis.
- b. To cover the benefits payable to the employees on retirement, the Company has subscribed to a policy of Group Gratuity Scheme of Life Insurance Corporation of India. All contributions made towards the policy premiums are charged to revenue.

9. Research and Development:

Revenue expenditure on research and development is charged to Statement of profit and loss in the year in which it is incurred. Capital expenditure on research and development is treated at par with other comparable tangible assets and depreciated accordingly.

10. Tax expense:

Accounting treatment in respect of deferred taxation and current tax is in accordance with Indian Accounting Standard 12 (Ind AS 12) - "Income Taxes"

11. Borrowing Costs:

Interest and other costs in respect of borrowings for expansion / additional fixed investments including R & D projects are capitalized to such investments. Borrowing costs relating to period after the commencement of operations of these projects are charged to revenue.

12. 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/settlement are accounted for accordingly. No effect is determined in respect of the repayment and balances in respect of Foreign Currency Loans as the same are paid out of the Foreign Exchange earnings through the Exchange Earners Foreign Currency Accounts in respective currencies.

13. Impairment of Assets:

The carrying amounts of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal / external factors. An impairment loss will be recognized wherever the

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using the weighted average cost of capital. In carrying out such exercise, due effect is given to the requirements of Schedule II of the Companies Act, 2013.

14. Earnings Per Share (EPS):

This is calculated by dividing the net profit after tax (PAT) for the period attributable to equity shareholders, by number of shares outstanding at the end of the year. In case there are any changes in the equity during the year, EPS would be calculated on the weighted average number of shares outstanding during the period including adjustments of bonus issue, if any.

15. Corporate Social Responsibility

The Company computes the amount required to be spent on Corporate Social Responsibility in accordance with the provisions of Section 135 of the Companies Act, 2013. The amounts are spent on the eligible projects prescribed under Schedule VII of the Act. Provision is made in the books for the amounts unspent, if any and if material, and the same is carried forward to be spent in the subsequent year. During the year ended 31st March, 2021 the Company has spent the amount of ₹ 374.06 Lacs. (Including unspent amounts of ₹ 43.25 Lacs pertaining to previous year).

16. Contingent Liabilities:

Disputed demands: Under the Income Tax Act, 1961: ₹ 17.60 Lacs (relating to Assessment Year 2013-14) ₹ 231.08 Lacs (relating to Assessment Year 2014-15) and ₹ 9.25 Lacs (relating to Assessment Year 2016-17) ₹ 29.31 Lacs (relating to Assessment Year 2017-18) in respect of additions made in assessment under section 143(3) of the Income Tax Act, 1961 and disputed in appellate proceedings.

The appeals are pending before the First Appellate Authority, Pune. The Company has deposited an amount of ₹ 87.38 Lacs against the aforementioned demands and obtained stay of collection of the balance disputed demand till disposal of the first appeals. The above referred tax payments are grouped under the head "Other Current Assets"

17. Dividends

Dividends are accounted for as an outflow from the accumulated profits in the year in which the same are declared and paid out.

18. Amounts recoverable from employees

The Company has an arrangement with the supplier of coal for supply of coal in specified consignments on a periodic basis. Few consignments aggregating to the value of ₹ 31.71 Lacs have been misappropriated, while in transit, by 2 employees of the Company during the year ended 31st March, 2015. The services of the said employees have been terminated in that year itself and legal action against initiated on these employees including action for the recovery of the above-mentioned amounts. Pending recovery, the amounts are shown under short term advances.

19. Expenditure on Corporate Social Responsibility (CSR):

The Company has incurred an expenditure of ₹ 374.06 Lacs (Previous Year ₹ 268.51 Lacs) on Corporate Social Responsibility initiatives in accordance with the provisions of Section 135 of the Companies Act, 2013. The details of the projects on which the amounts are expended by the Company on Corporate Social Responsibility are given in Note.32 Other expenses.

20. Segment Reporting:

The Company operates in three segments viz., (a) Amines & Speciality Chemicals, (b) Hotel segment and (c) CFL Lamps. There is no geographical segment as the Company operates only in India.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

The segment results are as under:

₹ In Lacs

Sl. No.	Particulars	Year ended	
		31st March, 2021	31st March 2020
		(Audited)	(Audited)
1	Segment Revenue		
	Amines & Speciality Chemicals	1,22,050.86	89,882.93
	Hotel Division	720.04	2,037.05
	CFL Lamps	60.71	0.23
	Sub Total :	1,22,831.61	91,920.21
	Less: Inter-segment revenue	53.66	14.80
	Revenue from operations	1,22,777.95	91,905.41
2	Segment Results before Tax & Interest		
	Amines & Speciality Chemicals	33,667.56	16,777.16
	Hotel Division	(303.39)	(33.44)
	CFL Lamps	(1,833.57)	(159.08)
	Total :	31,530.60	16,584.64
a	Less : Interest		
	Amines & Speciality Chemicals	528.35	1,197.54
	Hotel Division	4.94	15.69
	CFL Lamps	0.18	
	Total :	533.47	1,213.23
b	Segment Profit/Loss (-) before tax		
	Amines & Speciality Chemicals	33,139.21	15,579.62
	Hotel Division	(308.33)	(49.13)
	CFL Lamps	(1,833.75)	(159.08)
	Total :	30,997.13	15,371.41
3	Capital Employed		
a	Segment Assets		
	Amines & Speciality Chemicals	1,21,162.34	99,936.36
	Hotel Division	6,864.76	7,404.80
	CFL Lamps	1,152.09	3,083.19
	Total :	1,29,179.19	1,10,424.35
b	Segment Liabilities		
	Amines & Speciality Chemicals	38,305.15	42,497.22
	Hotel Division	974.16	1,028.88
	CFL Lamps	159.15	134.20
	Total :	39,438.46	43,660.30

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

21. Related Party transactions:

Name of the related party	Relationship	Nature of Transaction	Transaction value Rupees	Balance outstanding - Receivable / (-) Payable as on date of Balance Sheet Rupees	Amount written off / back
Balaji Speciality Chemicals Private Limited	Company in which the Enterprise is substantially interested, by holding 55% of shares in the total paid up share capital.	Unsecured Loan given	₹ 31,00,00,000/-	₹ 77,34,76,847/-	Nil
		Interest Receipt thereon	₹ 6,04,38,446/-	Nil	
Balaji Speciality Chemicals Private Limited	Company in which the Enterprise is substantially interested, by holding 55% of shares in the total paid up share capital.	a. Sales	₹ 79,88,20,134/-	₹ 9,86,30,844/-	Nil
		b. Purchase	₹ 16,94,65,939/-		
Balaji Speciality Chemicals Private Limited	Company in which the Enterprise is substantially interested, by holding 55% of shares in the total paid up share capital.	Rent Receipt	₹ 60,000/-	Nil	Nil
KPR House / Family Trust	A Co-ownership in which Directors and their relatives are interested.	Rent Payment	₹ 4,96,000/-	(Ceased to be related party w.e.f.31.12.2020)	Nil
Thirumala Precicasts Pvt. Ltd.	A Company in which Directors are interested	Rent Receipt	₹ 3,34,115/-	₹ 27,022/-	Nil
MVL Medisynth Pvt. Ltd.	A Company in which Directors are interested	a. Sales	₹ 3,15,17,436/-	Nil	Nil
		b. Purchase	₹ 15,88,104/-		
Sri A. Prathap Reddy	Executive Chairman	Remuneration & Allowances	₹ 52,60,800/-	₹ 2,58,600/-	Nil
		Commission on Profits	₹ 9,80,55,825/-	₹ 9,80,55,825/-	Nil
Sri N. Rajeshwar Reddy	Joint Managing Director	Remuneration & Allowances	₹ 44,38,800/-	Nil	Nil
		Commission on Profits	₹ 6,44,38,950/-	₹ 6,44,38,950/-	Nil
Sri D. Ram Reddy	Managing Director	Remuneration & Allowances	₹ 44,38,800/-	Nil	Nil
		Commission on Profits	₹ 6,44,38,950/-	₹ 6,44,38,950/-	Nil
Sri G. Hemanth Reddy	Whole Time Director & CFO	Remuneration & Allowances	₹ 44,38,800/-	₹ 2,21,100/-	Nil
		Commission on Profits	₹ 3,00,00,075/-	₹ 3,00,00,075/-	Nil
Sri A. Srinivas Reddy	Whole Time Director	Remuneration & Allowances	₹ 39,45,600/-	₹ 1,99,200/-	Nil
		Commission on Profits	₹ 6,49,32,150/-	₹ 6,49,32,150/-	Nil

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

22. Additional Information pertaining to Statement of Profit and Loss

Sl. No.	Nature of Income / Expenses	Current Year		Previous Year	
		Amount In Foreign Currency	Amount In ₹	Amount In Foreign Currency	Amount In ₹
1.	Export Earning	US \$ 1,72,08,190.09	1,25,99,71,065.12	US \$ 1,87,51,774.00	1,30,77,61,040.00
		€ 60,40,924.01	51,97,12,453.18	€ 65,79,187.00	51,17,87,688.00
2.	Sales Commission	US \$ 50,561.30	37,01,666.87	US \$ 47,725.23	33,24,357.30
3.	Registration & Renewals	US \$ 990.00	73,187.00	US \$ 315.00	21,641.00
		€ 3,820.00	3,43,532.00	€ 2,711.00	2,16,988.00
4.	Travelling Expenses	€ -	-	€ 1,000.00	79,016.00
		¥ -	-	¥ 39,500.00	4,25,530.00
5.	Exhibition Charges	€ -	-	€ 68,567.37	52,89,996.00
6.	Capital Goods & Spares	US \$ 5,19,886.00	3,83,56,810.20	US \$ 13,95,788.75	9,81,06,948.00
7.	Raw Material	US \$ 2,66,00,528.22	1,96,90,72,628.92	US \$ 1,71,38,296.98	1,19,68,42,408.72
		€ 34,265.00	29,78,683.00	€ 2,03,750.00	1,62,41,056.00
8.	Professional / Consultancy Fees	US \$ -	-	US \$ 2,500.00	1,74,619.00
9.	Finance Charges	US \$ 7,158.49	5,28,954.91	US \$ 14,229.87	9,93,662.79
		€ 4,280.40	3,67,666.00	€ 3,241.99	2,46,329.90
10.	Transportation Charges	US \$ -	-	US \$ 1,691.24	1,20,715.39
11.	Technical Know How Fees	US \$ 6,91,800.00	5,10,46,686.00	US \$ 4,64,000.00	3,24,23,752.00

VII. Previous year's figures are regrouped and reclassified wherever considered necessary to conform with the current year grouping / classifications.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

2. PROPERTY, PLANT AND EQUIPMENT

Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 31st March, 2020	Additions	Deletion	As at 31st March, 2021	For the Period	Adjustments Deletion	As at 31st March, 2020	As at 31st March, 2021
Amines Division								
Land	31,01,18,116	24,85,157	-	31,26,03,273	3,39,047	-	37,43,433	30,67,13,730
Land - Own	11,34,95,752	-	-	11,34,95,752	-	-	-	11,34,95,752
Unit-I - Tamalwadi Tq,Tulapur, Dist. Osmanabad, Maharashtra	7,88,62,080	-	-	7,88,62,080	-	-	-	7,88,62,080
Unit-II - Bollaram,Dist.Sanga Reddy, Telangana	66,33,583	-	-	66,33,583	-	-	-	66,33,583
Unit-V Nandi Kandi, Sadashivpet, Sangareddy Dist. Telangana.	1,63,30,557	-	-	1,63,30,557	-	-	-	1,63,30,557
Nagaj, Dist.Sangli, Maharashtra	17,00,000	-	-	17,00,000	-	-	-	17,00,000
Kas, Dist.Satara, Maharashtra	20,00,000	-	-	20,00,000	-	-	-	20,00,000
Office - Hotgi Road, Dist.Solapur, Maharashtra	79,69,532	-	-	79,69,532	-	-	-	79,69,532
Land - Lease Hold	19,66,22,364	24,85,157	-	19,91,07,521	3,39,047	-	37,43,433	19,32,17,978
Lease Hold Land - Plot No. E 7 & 8, Chincholi, Dist.Solapur, Maharashtra	2,97,24,279	24,85,157	-	3,22,09,436	3,39,047	-	37,43,433	2,63,19,893
Lease Hold Land- Plot No. F-104, Chincholi, Dist.Solapur, Maharashtra	16,68,98,085	-	-	16,68,98,085	-	-	-	16,68,98,085
Factory Buildings	56,38,14,967	-	-	56,38,14,967	1,75,71,258	-	18,04,00,536	40,09,85,689
Unit-I	13,96,92,555	-	-	13,96,92,555	41,96,437	-	6,45,97,026	7,92,91,966
Unit-II	3,67,72,052	-	-	3,67,72,052	10,87,164	-	1,52,94,318	2,25,64,898
Unit-III	32,96,02,782	-	-	32,96,02,782	1,04,04,562	-	7,84,96,250	26,15,11,094
Unit-V	5,77,47,578	-	-	5,77,47,578	18,83,095	-	2,20,12,942	3,76,17,731
Office Buildings	7,38,40,688	-	-	7,38,40,688	1,66,439	-	71,75,179	6,78,31,948
Hotgi Road,Solapur, Maharashtra	5,73,25,461	-	-	5,73,25,461	9,04,948	-	56,68,700	5,25,61,709
Mumbai Flat	1,65,15,227	-	-	1,65,15,227	2,61,491	-	15,06,479	1,52,70,239
Wind Electric Generator	17,16,03,446	-	-	17,16,03,446	8,70,99,662	-	9,39,81,865	8,45,03,784
Nagaj, Dist.Sangli, Maharashtra	8,65,70,934	-	-	8,65,70,934	33,64,835	-	5,36,45,900	3,62,89,869
Kas, Dist.Satara, Maharashtra	8,50,32,512	-	-	8,50,32,512	35,17,368	-	4,03,35,965	4,82,13,915
Plant & Machinery	2,68,54,80,745	3,07,38,591	1,55,75,228	2,70,06,44,108	11,98,17,242	1,01,82,683	1,28,03,07,049	1,51,48,08,255
Unit-I	86,56,06,291	2,57,03,429	-	89,13,09,720	3,35,49,031	-	58,19,28,939	31,72,26,383
Unit-II	5,18,84,780	-	-	5,18,84,780	27,39,516	-	4,48,34,426	97,89,870
Unit-III	1,58,64,22,138	50,35,162	-	1,59,14,57,300	7,03,43,586	-	53,76,99,773	1,11,90,65,951
Unit-V	18,15,67,536	-	1,55,75,228	16,59,92,308	1,31,85,109	1,01,82,683	11,58,43,911	6,87,26,051

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 31st March, 2020	Additions	Deletion	As at 31st March, 2021	For the Period	Adjustments Deletion	As at 31st March, 2020	As at 31st March, 2021
Plant & Machinery R & D	55,99,58,918	-	-	55,99,58,918	2,23,42,653	-	19,62,61,548	38,60,40,023
Unit-I	15,90,47,978	-	-	15,90,47,978	63,80,245	-	9,86,14,506	6,68,13,717
Unit-II	73,41,910	-	-	73,41,910	3,87,653	-	59,28,471	18,01,092
Unit-III	39,35,69,030	-	-	39,35,69,030	1,55,74,755	-	9,17,18,571	31,74,25,214
Furniture & Fixtures	2,62,24,436	12,91,864	-	2,75,16,300	20,55,176	-	1,94,64,016	88,15,596
Unit-I	2,27,93,777	42,969	-	2,28,36,746	19,16,486	-	1,64,74,054	82,36,209
Unit-II	1,29,452	-	-	1,29,452	8,194	-	1,15,841	21,805
Unit-III	25,88,108	12,48,895	-	38,37,003	85,357	-	23,47,684	3,25,781
Unit-V	7,13,099	-	-	7,13,099	45,139	-	5,26,437	2,31,801
Office Equipment	1,53,20,846	4,91,231	-	1,58,12,077	6,62,158	-	1,30,15,401	29,67,603
Unit-I	84,94,335	4,60,331	-	89,54,666	3,18,584	-	80,05,135	8,07,784
Unit-II	28,83,379	30,900	-	29,14,279	1,84,474	-	19,30,494	11,37,359
Unit-III	24,52,504	-	-	24,52,504	64,744	-	19,02,273	6,14,975
Unit-V	14,90,628	-	-	14,90,628	94,356	-	11,77,499	4,07,485
Vehicles	5,42,42,235	25,56,769	23,64,505	5,44,34,499	57,87,064	13,25,662	3,57,98,467	2,29,05,170
Unit-I	1,59,79,375	22,500	-	1,60,01,875	16,66,285	-	1,27,92,962	48,52,698
Unit-II	1,46,79,416	-	-	1,46,79,416	20,92,322	-	69,15,164	98,56,574
Unit-III	2,35,83,444	25,34,269	23,64,505	2,37,53,208	20,28,457	13,25,662	1,60,90,341	81,95,898
Others	15,68,32,057	1,17,17,954	-	16,85,50,011	67,77,521	-	4,29,36,051	12,06,73,527
Unit-I	8,23,24,393	-	-	8,23,24,393	33,03,335	-	2,38,75,398	6,17,52,330
Unit-II	14,83,621	-	-	14,83,621	61,060	-	2,95,801	12,48,880
Unit-III	7,30,24,043	1,17,17,954	-	8,47,41,997	34,13,126	-	1,87,64,852	5,76,72,317
Total: A	4,61,74,36,454	4,92,81,566	1,79,39,733	4,64,87,78,287	18,34,00,761	1,15,08,345	1,87,30,83,545	2,91,62,45,325
Hotel Division - Hotgl Road								
Land	1,96,76,241	-	-	1,96,76,241	-	-	-	1,96,76,241
Buildings	56,96,82,914	-	-	56,96,82,914	86,66,669	-	10,11,98,384	47,71,51,199
Plant & Machinery	25,00,46,629	-	-	25,00,46,629	1,71,46,599	-	12,30,85,682	14,41,07,546
Furniture & Fixtures	20,60,85,373	-	-	20,60,85,373	2,20,34,736	-	16,22,03,894	6,59,16,215
Office Equipment	32,32,241	-	-	32,32,241	-	-	32,32,241	-
Vehicle	31,16,096	-	-	31,16,096	3,70,036	-	11,22,287	23,63,845
Others	2,42,28,218	-	-	2,42,28,218	18,11,360	-	1,75,32,438	85,07,140
Total: B	1,07,60,67,712	-	-	1,07,60,67,712	5,00,29,400	-	40,83,74,926	71,77,22,186
Total: A + B	5,69,35,04,166	4,92,81,566	1,79,39,733	5,72,48,45,999	23,34,30,161	1,15,08,345	2,28,14,58,471	3,63,39,67,511
								3,44,33,87,528

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**3. CAPITAL WORK IN PROGRESS**

Particulars	As at 31st March, 2021	As at 31st March, 2020
Amines Division		
Expansion Project - at the beginning of the year	46,26,67,366	36,31,99,266
Expenditure incurred during the year	1,27,00,89,961	46,90,51,066
At the end of the year	1,73,27,57,327	83,22,50,332
Less: Commissioned during the year	-	36,95,82,966
Balance A	1,73,27,57,327	46,26,67,366
R & D Project - At the beginning of the year	-	26,92,39,466
Expenditure incurred during the year	-	1,81,92,149
At the end of the year	-	28,74,31,615
Less: Commissioned during the year	-	28,74,31,615
Balance B	-	-
Total (A+B)	1,73,27,57,327	46,26,67,366

4. INVESTMENTS

Particulars	As at 31st March, 2021	As at 31st March, 2020
In subsidiary (Unquoted)		
Balaji Speciality Chemicals Private Limited		
2,20,00,000 Equity Shares of ₹ 10/- each, at premium of ₹ 20/- aggregating to ₹ 30/- per share.	66,00,00,000	66,00,00,000
Total	66,00,00,000	66,00,00,000
Total non-current investments	66,00,00,000	66,00,00,000

5. LOANS

Particulars	As at 31st March, 2021	As at 31st March, 2020
(Unsecured, considered good)		
Loan to Subsidiary - Balaji Speciality Chemicals Private Limited	77,34,76,847	46,34,76,847
Total	77,34,76,847	46,34,76,847

6. OTHERS

Particulars	As at 31st March, 2021	As at 31st March, 2020
A) Amines division		
Deposit with Government Departments	3,04,72,274	3,04,33,580
Others-Security Deposits	34,13,761	31,02,619
Balance with Scheduled Banks		
In Margin money deposits (towards guarantees issued by banks.)	27,36,545	39,48,517
Corporate guarantee - Subsidiary	1,29,74,57,172	1,58,35,70,511

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

₹

Particulars	As at 31st March, 2021	As at 31st March, 2020
The company has extended corporate guarantee to institutional lenders to an extent of ₹ 225.00 Crores to secure the borrowings of its subsidiary. The company has accounted for this financial obligation as a Financial Liability and corresponding amount is shown as a non-current asset and as due from the subsidiary in accordance with Ind AS 109. The quantification is based on the balance due to the lenders by the subsidiary as on the last day of the financial year. The said borrowings of the subsidiary are also secured by personal guarantees of the Directors Sri A. Prathap Reddy, Sri N Rajeshwar Reddy, Sri D Ram Reddy, Sri G Hemanth Reddy and Sri. A Srinivas Reddy		
Total (A)	1,33,40,79,752	1,62,10,55,227
B) Hotel division		
Deposit with Government Departments	38,46,663	38,05,910
Others-Security Deposits	93,460	1,58,753
Total (B)	39,40,123	39,64,663
Total (A+B)	1,33,80,19,875	1,62,50,19,890

7. OTHER NON-CURRENT ASSETS

₹

Particulars	As at 31st March, 2021	As at 31st March, 2020
A) Amines division		
Advances towards Capital Goods	10,81,50,751	26,94,22,081
Total	10,81,50,751	26,94,22,081

8. INVENTORIES

₹

Particulars	As at 31st March, 2021	As at 31st March, 2020
A) Amines division		
[As verified, valued and certified by the Management]		
Raw Material	40,72,67,399	17,38,90,503
Work-in-Process	2,45,49,522	19,09,65,696
Finished Goods	28,68,77,211	22,38,83,897
Goods-in-transit / at Bonded Warehouse	10,15,28,130	15,85,73,047
Stores, Spares	6,01,62,914	5,84,78,998
Packing Materials	2,42,31,722	1,84,14,696
Fuel & Others etc.	4,72,16,742	8,97,47,815
Total (A)	95,18,33,640	91,39,54,652
B) Hotel division		
Housekeeping, Kitchen, Stewarding	50,09,975	48,46,877
Food & Beverages	24,13,592	30,26,360
Total (B)	74,23,567	78,73,237
Total (A+B)	95,92,57,207	92,18,27,889

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**9. INVESTMENTS**

Particulars	As at 31st March, 2021	As at 31st March, 2020
Others		
National Saving Certificate	10,000	10,000
Canara Robeco Mutual Fund	-	1,50,00,000
ICICI Prudential Mutual Fund	-	1,50,00,000
Sundaram Money Fund	-	44,50,00,000
Total	10,000	47,50,10,000

10. TRADE RECEIVABLES

Particulars	As at 31st March, 2021	As at 31st March, 2020
(Unsecured and considered good)		
A) Amines division		
Related Parties	9,86,30,844	16,97,24,084
Others	2,62,24,88,361	1,73,66,55,702
B) Hotel division	23,73,923	21,03,606
Total	2,72,34,93,128	1,90,84,83,392

11. CASH AND CASH EQUIVALENTS

Particulars	As at 31st March, 2021	As at 31st March, 2020
A) Amines division		
Cash in hand	12,736	60,225
Balance with Scheduled Banks		
In current accounts	1,61,92,965	2,12,36,287
Balance to the credit of the company in Cash Credit Accounts	13,42,82,155	-
Total (A)	15,04,87,856	2,12,96,512
B) Hotel division		
Cash in hand	33,598	44,882
Balance with Scheduled Banks		
In current accounts	31,49,100	69,92,659
Total (B)	31,82,698	70,37,541
Total (A+B)	15,36,70,554	2,83,34,053

12. BANK BALANCE

Particulars	As at 31st March, 2021	As at 31st March, 2020
A) Amines division		
Balance with Scheduled Banks		
In Margin money deposits	2,28,85,800	4,42,93,408
Total	2,28,85,800	4,42,93,408

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

13. OTHER CURRENT ASSETS

₹		
Particulars	As at 31st March, 2021	As at 31st March, 2020
A) Amines division		
Balance with Revenue Authorities	83,37,238	1,55,42,997
Advances to Suppliers	16,74,19,837	3,10,72,575
Employees' advances	15,53,189	15,56,139
Income Tax Refund Receivable	2,28,56,635	6,42,90,617
Tax Paid against disputed demand (A.Y. 2013-14)	19,98,336	17,59,120
Tax Paid against disputed demand (A.Y. 2014-15)	2,31,08,000	62,08,040
Tax Paid against disputed demand (A.Y. 2016-17)	9,25,310	1,85,262
Tax Paid against disputed demand (A.Y. 2017-18)	29,30,610	5,86,323
Tax Paid against disputed demand (A.Y. 2019-20)	1,95,770	-
Others - Unsecured, considered good	3,40,49,253	2,95,49,529
Total (A)	26,33,74,178	15,07,50,602
B) Hotel division		
Balance with Revenue Authorities	1,63,133	3,39,829
Employees' advances	75,617	-
Others - Unsecured, considered good	16,14,418	6,96,977
Total (B)	18,53,168	10,36,806
Total (A+B)	26,52,27,346	15,17,87,408

14. EQUITY SHARE CAPITAL

₹		
Particulars	As at 31st March, 2021	As at 31st March, 2020
a. Authorised		
At the beginning of the year	45,50,00,000	45,50,00,000
22,75,00,000 Equity Shares of ₹ 2/- each.		
At the end of the year	45,50,00,000	45,50,00,000
b. Movements in paid up capital		
At the beginning of the year	6,48,02,000	6,48,02,000
Changes during the year	-	-
At the end of the year	6,48,02,000	6,48,02,000
c. Par value of shares	2/-	2/-
d. Number of shares outstanding at beginning of the year	3,24,01,000	3,24,01,000
Changes during the year	-	-
Number of shares outstanding at end of the year	3,24,01,000	3,24,01,000
e. Restriction on disbursement of Dividend		

Out of the three banks from whom the company has availed working capital facilities, one bank viz. HDFC Bank has stipulated a condition, as part of the general terms and conditions of sanction, that prior permission is required before disbursement of dividend.

- f.** During the five years immediately preceding the current financial year, the company has not issued any shares without payment being received in cash, nor issued any bonus shares. Neither did the company buy back any shares during the said period.
- g.** The company has only one class of shares i.e. Equity Shares.

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)****h. Terms and rights attached to equity shares**

The company has only one class of equity shares having par value of ₹ 2 per share. The Company declares and pays dividends in Indian Rupees. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

i. Details of shareholders holding more than 5% share of the company

Sl. No.	Name of the Shareholder	No. of Shares		Percentage	
		Current Year	Previous Year	Current Year	Previous Year
1.	Ande Prathap Reddy	49,69,229	49,69,229	15.34	15.34
2.	APR Holdings & Investments LLP	47,74,720	47,74,720	14.74	14.74
3.	Smt. A. Shakunthala Devi	19,63,049	19,63,049	6.06	6.06
4.	Ande Srinivas Reddy	16,93,647	16,84,147	5.23	5.20

15. OTHER EQUITY - RESERVES AND SURPLUS

Particulars	As at 31st March, 2021	As at 31st March, 2020
a) Capital Reserves	6,20,505	6,20,505
b) Share Premium Account	5,69,61,000	5,69,61,000
c) State Subsidy	2,97,90,000	2,97,90,000
Total A	8,73,71,505	8,73,71,505
d) General Reserve		
At the beginning of the year	74,16,21,000	62,78,68,000
Add : Transfer from statement of Profit and Loss	23,17,11,000	11,37,53,000
Total B	97,33,32,000	74,16,21,000
e) Balance in Statement of Profit and Loss brought forward from previous year	5,78,26,09,873	4,96,99,62,225
Add : Profit for the year	2,31,71,09,628	1,13,75,30,629
Less : (i) Transfer to General Reserve	23,17,11,000	11,37,53,000
(ii) Dividend paid during the year (2018-19)	-	9,07,22,800
(iii) Dividend distribution tax (2018-19)	-	1,88,45,381
(iv) Interim Dividend paid for the year (2019-20)	-	8,42,42,600
(v) Dividend distribution tax - 2019-20	-	1,73,19,200
(vi) Final Dividend 2019-20	1,94,40,600	-
Balance in Statement of Profit and Loss at the end of year Total C	7,84,85,67,901	5,78,26,09,873
Total other equity (A + B + C)	8,90,92,71,406	6,61,16,02,378

16. TRADE PAYABLE

Particulars	As at 31st March, 2021	As at 31st March, 2020
Amines Division-Creditors for Capital Goods	11,39,02,089	2,84,21,049
Rental Deposit	89,24,000	31,50,000
Total	12,28,26,089	3,15,71,049

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

17. OTHER FINANCIAL LIABILITIES

Particulars	As at 31st March, 2021	As at 31st March, 2020
A) Amines Division		
Deposits from Customers	48,60,000	41,60,000
Advance from Customers	2,11,93,761	2,01,57,098
Corporate guarantee - Subsidiary	1,29,74,57,172	1,58,35,70,511
[Refer: Disclosure below Note 6 Non Current Assets - Others]		
Total (A)	1,32,35,10,933	1,60,78,87,609
B) Hotel Division		
Advance from Customers	26,78,074	450
Total (B)	26,78,074	450
Total (A+B)	1,32,61,89,007	1,60,78,88,059

18. DEFERRED TAX LIABILITIES / ASSETS

Particulars	As at 31st March, 2021	As at 31st March, 2020
Beginning of the year relating to the fixed assets	49,99,25,961	45,75,00,903
	-	-
Total	49,99,25,961	45,75,00,903
Add / (Less): Timing difference arising during the year on account of depreciation	(1,32,51,488)	4,24,25,058
Deferred Tax Liability (Net)	48,66,74,473	49,99,25,961

Deferred tax liabilities provided for relate to Property Plant & Equipment and other tangible assets. There are no assets that are accounted at fair value or any other asset that requires adjustments.

19. OTHER NON-CURRENT LIABILITIES

Particulars	As at 31st March, 2021	As at 31st March, 2020
Deferred Revenue Export Benefits	96,85,366	23,64,450
Total	96,85,366	23,64,450

20. BORROWINGS

Particulars	As at 31st March, 2021	As at 31st March, 2020
a. Secured		
Towards working capital - Repayable on demand		
(i) State Bank of India *	-	35,54,28,028
(ii) HDFC Bank *	-	29,42,47,981
(iii) Bank of Baroda *	-	37,39,38,651
* Includes sub limit of demand Loan		
Total	-	1,02,36,14,660

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

The borrowings for working capital limits sanctioned by banks, including Working Capital Demand Loans, are secured by pari-pasu first charge by way of hypothecation of stocks & book debts, and second charge on all fixed assets of the company, both present and future. The term loans of the company have been fully repaid during the year under consideration and the satisfaction of charges filed with ROC. The fixed assets of the company, therefore do not have any encumbrance on account of term loan borrowings.

21. TRADE PAYABLES

₹		
Particulars	As at 31st March, 2021	As at 31st March, 2020
A) Amines Division		
Creditors for raw materials & others	67,02,94,469	50,24,52,451
Creditors for MSME	6,16,15,531	5,33,31,636
Total (A)	73,19,10,000	55,57,84,087
B) Hotel Division		
Creditors for supplies	33,33,000	61,10,577
Total (B)	33,33,000	61,10,577
Total (A+B)	73,52,43,000	56,18,94,664

22. OTHER FINANCIAL LIABILITIES

₹		
Particulars	As at 31st March, 2021	As at 31st March, 2020
A) Amines Division		
Advance from Customers	2,37,73,160	-
Total	2,37,73,160	-

23. OTHER CURRENT LIABILITIES

₹		
Particulars	As at 31st March, 2021	As at 31st March, 2020
Statutory Dues		
A) Amines division		
Goods & Service Tax	3,34,36,897	3,35,93,508
Tax Collected at Source	79,511	-
Tax Deducted at Source	14,12,879	9,22,242
Total (A)	3,49,29,287	3,45,15,750
B) Hotel Division		
Goods & Service Tax	9,44,218	-
Value Added Tax	67,483	1,33,548
Tax Deducted at Source	53,395	76,961
Total (B)	10,65,096	2,10,509
Total (A+B)	3,59,94,383	3,47,26,259

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

24. PROVISIONS

₹		
Particulars	As at 31st March, 2021	As at 31st March, 2020
A) Amines division		
Salaries	1,69,57,193	1,65,87,072
Provident Fund	32,78,381	28,88,618
Employees State Insurance	2,18,756	2,00,883
Remuneration to Directors	32,18,65,950	14,90,84,011
Electricity Charges	2,51,09,143	1,76,21,882
Others - expenses	1,27,50,380	63,51,571
Total (A)	38,01,79,803	19,27,34,037
B) Hotel Division		
Salaries	14,60,243	24,34,582
Provident Fund	2,82,328	4,81,716
Employees State Insurance	36,191	66,005
Electricity Charges	3,36,010	3,16,200
Other expenses	76,65,750	1,03,77,093
Total (B)	97,80,522	1,36,75,596
Total (A+B)	38,99,60,325	20,64,09,633

25. CURRENT TAX LIABILITIES

₹		
Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for Current Tax	81,35,00,000	40,00,00,000
Total	81,35,00,000	40,00,00,000

26. REVENUE FROM OPERATIONS

₹		
Particulars	For the Period ended 31st March, 2021	For the Period ended 31st March, 2020
A) Amines division		
Sale of Aliphatic Amines, Speciality Chemicals, Derivatives of Amines and CFL Lamps.(including Export Benefits)	12,20,66,31,863	8,98,83,15,541
Total (A)	12,20,66,31,863	8,98,83,15,541
B) Hotel division		
Rooms, restaurants, banquets and other services	7,11,63,040	20,22,25,503
Total (B)	7,11,63,040	20,22,25,503
Total Revenue from operations (Net) (A+B)	12,27,77,94,903	9,19,05,41,044

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**27. OTHER INCOME**

Particulars	For the Period ended 31st March, 2021	For the Period ended 31st March, 2020
A) Amines division		
Income from Wind Electric Generator	1,06,71,770	3,27,99,472
Interest on Margin Money Deposit	37,17,300	58,09,344
Interest on Security Deposit	9,48,758	19,64,795
Interest on loan to Subsidiary	6,04,38,446	5,39,07,719
Sales Tax Refund and interest thereon	-	25,44,531
Profit on Sale of Fixed Assets	19,34,472	2,48,011
Profit on Redemption of Mutual Fund	77,40,662	-
Rent Receipt	76,12,628	42,30,797
State Subsidy Received	1,42,86,000	-
Miscellaneous Income	1,77,137	2,16,184
Total (A)	10,75,27,173	10,17,20,853
B) Hotel division		
Rent from Lobby Shops	2,19,375	3,00,000
Profit on Sales of Fixed Assets	-	2,30,000
State Subsidy Received	1,23,82,500	-
Interest on Security Deposit	1,74,706	3,77,588
Total (B)	1,27,76,581	9,07,588
Total (A + B)	12,03,03,754	10,26,28,441

28. COST OF MATERIAL CONSUMED

Particulars	For the Period ended 31st March, 2021	For the Period ended 31st March, 2020
A) Amines division		
Opening Stock	17,38,90,503	54,02,70,811
Add: Purchases		
Raw Material - Domestic	3,78,81,92,580	3,05,47,12,675
Raw Material - Imports CIF Value	2,56,23,73,624	1,37,67,45,093
Sub- Total	6,52,44,56,707	4,97,17,28,579
Less : Closing Stock	40,72,67,399	17,38,90,503
Total (A)	6,11,71,89,308	4,79,78,38,076
B) Hotel division		
Food & Beverages		
Opening Stock	78,73,237	77,03,706
Add: Purchases	58,63,818	2,40,33,266
Sub- Total	1,37,37,055	3,17,36,972
Less : Closing Stock	74,23,567	78,73,237
Total (B)	63,13,488	2,38,63,735
Net Total (A + B)	6,12,35,02,796	4,82,17,01,811

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

29. CHANGES IN INVENTORIES OF FINISHED GOODS & WORK IN PROCESS

₹

Particulars	For the Period ended 31st March, 2021	For the Period ended 31st March, 2020
(a) Opening Stock		
Finished Goods	22,38,83,897	40,73,27,243
Work-in-process	19,09,65,696	29,74,98,710
Sub- Total (a)	41,48,49,593	70,48,25,953
(b) Closing Stock		
Finished Goods	28,68,77,211	22,38,83,897
Work-in-process	2,45,49,522	19,09,65,696
Sub- Total (b)	31,14,26,733	41,48,49,593
Difference of (a) and (b) Increase (-) / Decrease(+)	10,34,22,860	28,99,76,360

30. EMPLOYEE BENEFITS

₹

Particulars	For the Period ended 31st March, 2021	For the Period ended 31st March, 2020
A) Amines division		
Salaries, Wages and other allowances	24,95,30,716	24,02,57,120
Remuneration to Directors	34,25,97,950	16,91,64,011
Bonus	1,09,07,716	1,16,21,093
Lockdown Incentive Reward	62,49,107	-
Premium towards Gratuity Scheme of LIC	49,61,237	79,42,329
Contribution to Provident Fund	1,68,80,180	1,57,11,876
Contribution to Employees State Insurance	19,68,121	22,04,189
Contribution to Labour Welfare Fund	58,995	56,861
Staff Welfare Expenses	58,22,696	26,77,137
Group Insurance Premium	28,60,788	19,69,923
Total (A)	64,18,37,506	45,16,04,539
B) Hotel division		
Salaries, Wages and other allowances	1,17,72,064	3,64,17,520
Bonus	13,60,662	15,52,240
Contribution to Provident Fund	9,66,758	22,62,396
Contribution to Employees State Insurance	2,35,990	7,44,392
Contribution to Labour Welfare Fund	5,436	12,240
Staff Welfare Expenses	1,94,149	2,12,703
Group Insurance Premium	1,02,255	98,204
Premium towards Gratuity Scheme of LIC	2,83,468	33,39,621
Total (B)	1,49,20,782	4,46,39,316
Total (A+B)	65,67,58,288	49,62,43,855

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**31. FINANCE COST**

Particulars	For the Period ended 31st March, 2021	For the Period ended 31st March, 2020
A) Amines division		
Interest on Working Capital Borrowings	3,40,09,821	10,00,29,971
Processing Charges	74,27,804	71,06,165
Bank Charges	1,14,15,533	1,26,18,105
Total (A)	5,28,53,158	11,97,54,241
B) Hotel division		
Bank Charges	4,93,736	15,68,738
Total (B)	4,93,736	15,68,738
Total (A+B)	5,33,46,894	12,13,22,979

32. OTHER EXPENSES

Particulars	For the Period ended 31st March, 2021	For the Period ended 31st March, 2020
A) Amines division		
a) Manufacturing Expenses		
i) Power and Fuel	1,07,04,48,867	83,20,13,865
ii) Stores, Spares Consumed	9,31,66,797	6,62,73,346
iii) Repairs & Maintenance - Plant & Machinery	5,93,18,165	6,31,94,141
iv) Repairs & Maintenance - Building & Other	38,00,866	35,73,865
b) Selling & Distribution Expenses		
i) Advertisement, Publicity & Sales Promotion	4,41,56,666	3,60,51,061
ii) Discount on Sales	54,11,519	1,20,79,989
iii) Outward Freight	34,81,58,278	28,93,84,881
iv) Packing & Forwarding	30,93,05,193	27,20,87,803
v) Other Selling & Distribution	3,59,01,829	4,93,61,261
c) Administrative & General Expenses		
i) Rent	11,89,892	12,42,892
ii) Rates & Taxes	45,38,618	95,54,331
iii) Repairs & Maintenance - Office Equipments	6,16,774	4,27,947
iv) Repairs & Maintenance - Furniture	2,25,243	61,993
v) Auditors Remuneration		
- As Auditors	20,00,000	15,00,000
vi) Premium in respect of "Employer-Employee Policy"	1,34,70,176	-
vii) Other Expenses	7,47,96,804	5,04,89,078
d) Insurance		
i) Plant & Machinery & Building	70,11,279	57,36,873
ii) Wind Electric Generator	4,86,797	1,75,043
iii) Raw Material & Finished Goods	39,32,892	40,34,660

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

₹		
Particulars	For the Period ended 31st March, 2021	For the Period ended 31st March, 2020
iv) Cash In Transit	7,167	7,167
v) Loss of Profit	39,14,246	34,95,940
vi) Motor Vehicle	8,13,183	9,14,032
vii) Public Liability Act	5,66,443	8,11,238
e) Foreign Exchange Fluctuations Loss / (Gain)	(4,63,00,049)	(3,91,23,721)
f) Research & Development Expenses	94,41,856	53,78,303
g) Expenditure on Corporate Social Responsibility		
i) Promoting Education	67,62,387	48,69,431
ii) Arrangement of Drinking Water	28,91,000	2,81,090
iii) Promotion of Road Safety	19,000	57,620
iv) Health Care	1,87,83,844	71,07,033
v) PM's Citizens Assistance and Relief in Emergency Situations Fund	-	25,00,000
vi) Chief Minister Relief Fund	-	60,00,000
vii) Rural Development Projects	66,08,006	27,24,803
viii) Remuneration to Staff	8,81,796	8,07,933
ix) Administrative Expenses	53,458	1,43,739
x) Roads in Tamalwadi	11,76,053	-
xi) Promoting Sports	2,30,837	23,59,257
Total (A)	2,08,37,85,882	1,69,55,76,894
B) Hotel division		
i) Power and Fuel	1,86,50,761	3,80,77,752
ii) Repairs & Maintenance - Plant & Machinery	7,47,618	14,16,204
iii) Repairs & Maintenance - Building	47,50,862	47,67,331
iv) Repairs & Maintenance - Kitchen Equipments	5,780	2,67,444
v) Repairs & Maintenance - Others	9,38,788	27,30,923
vi) Repairs & Maintenance - Furniture	2,26,748	8,84,441
vii) Repairs & Maintenance - Office Equipment	950	3,70,855
viii) Repairs & Maintenance - Computer	3,28,625	7,79,273
ix) Repairs & Maintenance - Electrical Equipments	5,34,992	5,15,155
x) Repairs & Maintenance - AC Equipments	80,751	1,52,651
xi) Insurance - Plant & Machinery	9,91,401	6,81,464
xii) Insurance	66,504	84,698
xiii) Banquet Expenses	3,34,800	14,44,775
xiv) Spa Operating Expenses	19,99,223	36,54,615
xv) Laundry expenses	5,92,527	12,57,236
xvi) Advertisement, Publicity & Sales Promotion Expenses	18,16,940	53,88,455
xvii) Freight & Forwarding	59,473	3,99,819
xviii) Rent, Rates & Taxes	37,60,037	38,78,048
xix) Operator's Management & Incentives Fees	28,34,908	1,04,99,059

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

Particulars	For the Period ended 31st March, 2021	For the Period ended 31st March, 2020
xx) Audit Fees	1,50,000	1,50,000
xxi) Others	52,67,726	1,19,92,390
Total (B)	4,41,39,414	8,93,92,588
Total (A+B)	2,12,79,25,296	1,78,49,69,482

Notes 1 to 32 form part of Financial Statements

As per our report of even date
For **Ayyadevara & Co.,**
Chartered Accountants
FRN: 000278S

For and on behalf of Board of Directors

Ayyadevara Srinivas
Proprietor
ICAI Membership No. 028803
Hyderabad, 24th May, 2021.
UDIN: 21028803AAAAAV3436

A Prathap Reddy
Executive Chairman
DIN 00003967

G Hemanth Reddy
Whole Time Director & CFO
DIN 00003868

D.Ram Reddy
Managing Director
DIN 00003864

INDEPENDENT AUDITOR'S REPORT

To the Members of **Balaji Amines Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Balaji Amines Limited (hereinafter referred to as the 'Holding Company') and its subsidiary Balaji Speciality Chemicals Private Limited (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31st March, 2021, and the consolidated statement of Profit and Loss, and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31st March, 2021, of consolidated profit, and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and jointly controlled entities in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sl. No.	Key Audit Matter	Auditor's Response
1.	Land allotted by MIDC to the holding company at Chicholi, Maharashtra. The Company has made a payment of ₹16.25 Cr. towards upfront lease premium to MIDC, against a 95 years' lease. The Company has started incurring capital expenditure on the land. However, the lease agreement is yet to be entered and registered with the concerned registering authority. The land has been handed over to the Company through a possession letter.	We have ascertained the land allotment procedure of MIDC and also perused the land allotment and possession documents. We have obtained an opinion that the allotment of the land and subsequent issue of the 'possession letter' is confirming the lease for the specified period.
2.	Disputed Tax Demands in case of holding company The Company is in dispute in respect of Income Tax Assessments for four years and the aggregate of the tax demand in respect of these Four years is ₹ 287.24 lakhs. The matter is in appeal before the first appellate authority, i.e., Commissioner of Income Tax (Appeals). The Company has made a payment of part of the amount pending outcome of the appeal and the same is accounted for as an advance (Current Assets). This position involves uncertainty about the possible outcome of these disputes and consequent recovery of the part payments so made.	We have obtained and considered an expert opinion on the matters involved in these appeals and also the judicial precedents. We have evaluated the same to assess whether there should be a change in the management's position on the sustainability and recoverability of the amounts paid against the disputed demands

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not

include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information

INDEPENDENT AUDITOR'S REPORT (Contd.)

is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- a. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause

INDEPENDENT AUDITOR'S REPORT (Contd.)

the Group and its associates and jointly controlled entities to cease to continue as a going concern.

- e. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Other Matters

We did not audit the financial statements / financial information of Balaji Speciality Chemicals Private Limited, whose financial statements / financial information reflect total assets of ₹ 304.64 Cr. as at March 31, 2021, total revenues of ₹ 181.32 Cr. and net

cash flows amounting to ₹ 0.44 Cr. for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

INDEPENDENT AUDITOR'S REPORT (Contd.)

- f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities – Refer Note 1 – VI – 16 to the consolidated financial statements.
 - (ii) The Group, did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

For **Ayyadevara & Co.,**
Chartered Accountants
FRN: 000278S

Ayyadevara Srinivas
Proprietor
Membership No.028803
Hyderabad. 24th May, 2021.
UDIN : 21028803AAAAAW9752

ANNEXURE

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Balaji Amines Limited, of even date, on the Consolidated Financial Statements)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of BALAJI AMINES LIMITED ("the Company") as of 31st March, 2021 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of

internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material

ANNEXURE
TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential

components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Ayyadevara & Co.,**
Chartered Accountants
FRN: 000278S

Ayyadevara Srinivas
Proprietor
ICAI Membership No. 028803
Hyderabad. 24th May, 2021.

CONSOLIDATED BALANCE SHEET

AS AT 31st MARCH, 2021

Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
1. Non - current assets			
a. Property, plant and equipment	2	5,42,91,66,702	5,73,00,09,775
b. Capital work-in-progress	3	1,73,27,57,327	46,26,67,366
c. Investment Property			
d. Goodwill			
e. Other Intangible assets			
f. Intangible assets under development			
g. Biological Assets other than bearer plants			
h. Financial Assets			
(i) Investments			
(ii) Trade Receivables			
(iii) Loans			
(iv) Others	4	5,91,08,575	5,84,79,727
i. Deferred tax assets (net)			
j. Other non-current assets	5	11,14,14,285	27,37,73,459
2. Current assets			
(a) Inventories	6	1,09,93,79,771	1,08,80,60,320
(b) Financial Assets			
(i) Investments	7	10,000	47,50,10,000
(ii) Trade Receivables	8	3,05,65,81,223	2,07,43,86,362
(iii) Cash and cash equivalents	9	17,32,23,232	4,30,77,783
(iv) Bank balances other than (iii) above	10	2,32,08,950	4,50,33,134
(v) Loans			
(vi) Others			
(c) Current Tax Assets (Net)		75,21,45,473	40,06,52,346
(d) Other current assets	11	66,62,97,121	47,98,74,746
Total Assets		13,10,32,92,659	11,13,10,25,018
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	12	6,48,02,000	6,48,02,000
(b) Other Equity			
(i) Reserves and surplus	13	8,87,90,95,711	6,51,66,11,476
Non controlling interest of Subsidiary		15,53,10,796	10,22,80,171
LIABILITIES			
1. Non - current liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	88,84,89,770	1,19,90,84,476
(ii) Trade payables	15	17,66,85,235	11,75,41,531
(iii) Other financial liabilities (other than those specified in item (b))	16	2,87,31,835	2,43,17,548
(b) Provisions			
(c) Deferred tax liabilities (Net)	17	47,24,35,996	43,72,91,375
(d) Other non-current liabilities	18	96,85,366	2,57,07,273
2. Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	10,94,51,509	1,21,47,62,054
(ii) Trade payables	20	76,79,68,622	59,36,21,824
(iii) Other financial liabilities (other than those specified in item (c))	21	30,08,09,322	18,92,19,186
(b) Other current liabilities	22	3,61,39,295	3,52,35,295
(c) Provisions	23	40,01,87,202	21,05,50,809
(d) Current Tax Liabilities (Net)	24	81,35,00,000	40,00,00,000
Total Equity and Liabilities		13,10,32,92,659	11,13,10,25,018
Significant Accounting Policies and other information	1		

Notes 1 to 31 form part of Financial Statements

As per our report of even date
For **Ayyadevara & Co.,**
Chartered Accountants
FRN: 000278S

For and on behalf of Board of Directors

Ayyadevara Srinivas
Proprietor
ICAI Membership No. 028803
Hyderabad, 24th May, 2021.
UDIN: 21028803AAAAW9752

A Prathap Reddy
Executive Chairman
DIN 00003967

G Hemanth Reddy
Whole Time Director & CFO
DIN 00003868

D.Ram Reddy
Managing Director
DIN 00003864

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE PERIOD ENDED 31ST MARCH, 2021

Sl. No.	Particulars	Note No.	For the Period ended 31st March, 2021	For the Period ended 31st March, 2020
I	Revenue from operations	25	13,11,45,51,164	9,35,77,18,389
II	Other income	26	6,07,41,215	5,01,37,386
III	Total Revenue (I+II)		13,17,52,92,379	9,40,78,55,775
IV	EXPENSES			
	Cost of Material Consumed	27	6,15,80,22,397	4,97,97,11,999
	Changes in inventories of finished goods and work-in-progress	28	14,45,39,341	15,85,93,915
	Employee benefits expense	29	67,82,45,174	50,98,71,068
	Finance costs	30	18,29,22,676	23,03,46,305
	Depreciation and amortisation expense	2	34,41,09,766	31,62,29,837
	Other expenses	31	2,40,14,98,722	1,90,20,66,597
	Total Expenses (IV)		9,90,93,38,076	8,09,68,19,721
V	Profit/(loss) before exceptional items and tax (III - IV)		3,26,59,54,303	1,31,10,36,054
VI	Exceptional items			
VII	Profit/(loss) before tax (V + VI)		3,26,59,54,303	1,31,10,36,054
VIII	Tax Expenses:			
	1. Current Tax		81,35,00,000	40,00,00,000
	2. Deferred Tax		3,51,44,621	(2,02,02,009)
	3. Adjustments of earlier year tax provisions		(1,76,45,778)	(4,34,64,639)
IX	Profit (Loss) for the period from continuing operations (VII-VIII)		2,43,49,55,460	97,47,02,702
X	Profit/(loss) from discontinued operations		-	-
XI	Tax expense of discontinued operations		-	-
XII	Profit/(loss) from discontinued operations (after tax) (X-XI)		-	-
XIII	Profit /Loss for the period (IX + XII)		2,43,49,55,460	97,47,02,702
XIV	Other Comprehensive Income		-	-
	A (i) items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XV	Total Comprehensive Income for the period (XIII + XIV) (Comprising profit/loss and other Comprehensive Income for the period)		2,43,49,55,460	97,47,02,702
	Attributable to:			
	(a) Shareholders of the Company		2,38,19,24,835	1,04,79,75,269
	(b) Non-controlling interests		5,30,30,625	(7,32,72,567)
XVI	Earning per equity share (for continuing operation):			
	(1) Basic		73.51	32.34
	(2) Diluted		73.51	32.34
XVII	Earning per equity share (for discontinued operation):			
	(1) Basic		-	-
	(2) Diluted		-	-
XVIII	Earning per equity share (for discontinued & continuing operations)			
	(1) Basic		73.51	32.34
	(2) Diluted		73.51	32.34
	Significant Accounting Policies and other information	1		

Notes 1 to 31 form part of Financial Statements

As per our report of even date
For **Ayyadevara & Co.,**
Chartered Accountants
FRN: 000278S

For and on behalf of Board of Directors

Ayyadevara Srinivas
Proprietor
ICAI Membership No. 028803
Hyderabad, 24th May, 2021.
UDIN: 21028803AAAAAW9752

A Prathap Reddy
Executive Chairman
DIN 00003967

G Hemanth Reddy
Whole Time Director & CFO
DIN 00003868

D.Ram Reddy
Managing Director
DIN 00003864

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2021

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Sr. No.	Particulars		Current Year 31st March, 2021	Previous Year 31st March, 2020
A	Cash flows from operating activities			
	Profit before interest and tax		3,44,88,76,979	1,54,13,82,359
	Other income considered		(6,07,41,215)	(5,01,37,386)
	Depreciation		34,41,09,766	31,62,29,837
	Increase (+)/ Decrease (-) in Current Liabilities		(71,97,40,804)	(9,60,16,251)
	Increase (-)/ Decrease (+) in Inventories		(1,13,19,451)	54,34,61,408
	Increase (-)/ Decrease (+) in Debtors		(98,21,94,861)	(40,22,02,591)
	Increase (-)/ Decrease (+) in Other Current Assets		(18,64,22,375)	(2,65,61,827)
	Increase (-)/ Decrease (+) in Current Tax Assets		(35,14,93,127)	13,23,83,045
	Income Tax Paid		(38,23,54,222)	(51,65,35,361)
	Cash flow from Operating Activities	A	1,09,87,20,690	1,44,20,03,233
B	Cash Flow From Investing Activities			
	Purchase of Fixed Assets		(1,31,97,88,042)	(61,77,11,891)
	Sale of Fixed Assets		64,31,388	8,67,451
	Increase (-)/ Decrease (+) in Other Non Current Financial Assets		(6,28,848)	(1,83,31,232)
	Increase (-)/ Decrease (+) in Other Non Current Assets		16,23,59,174	(24,11,51,613)
	Increase (-)/ Decrease (+) in Current Investments		47,50,00,000	(47,50,05,000)
	Other Income		6,07,41,215	5,01,37,386
	Cash flow from Investing activities	B	(61,58,85,113)	(1,30,11,94,899)
C	Cash Flow from Financing Activities			
	Proceeds from Non-Current Borrowings		-	54,00,00,000
	Repayments of Non-Current Borrowings		(21,96,87,120)	(35,90,83,332.00)
	Increase (+)/ Decrease (-) in Other Long Term Financial Obligations		44,14,287	(76,23,332.00)
	Increase (+)/ Decrease (-) in Trade Payables		5,91,43,704	(1,42,09,693)
	Increase (+)/ Decrease (-) in Other non-current liabilities		(1,60,21,907)	2,57,07,273
	Interest paid		(18,29,22,676)	(23,03,46,305)
	Dividend paid		(1,94,40,600)	(21,11,29,981)
	Cash Flow from Financing Activities	C	(37,45,14,312)	(25,66,85,370)
D	Net increase/(decrease) in cash and cash equivalents (A+B+C)		10,83,21,265	(11,58,77,036)
E	Cash and cash equivalents (beginning of the year)		8,81,10,917	20,39,87,953
F	Cash and cash equivalents (end of the year)		19,64,32,182	8,81,10,917
G	Increase/(decrease) in cash and cash equivalents (closing minus opening balances)		10,83,21,265	(11,58,77,036)

Notes 1 to 31 form part of Financial Statements

As per our report of even date
For **Ayyadevara & Co.,**
Chartered Accountants
FRN: 000278S

For and on behalf of Board of Directors

Ayyadevara Srinivas
Proprietor
ICAI Membership No. 028803
Hyderabad, 24th May, 2021.
UDIN: 21028803AAAAAW9752

A Prathap Reddy
Executive Chairman
DIN 00003967

G Hemanth Reddy
Whole Time Director & CFO
DIN 00003868

D.Ram Reddy
Managing Director
DIN 00003864

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

I. CONSOLIDATION

The consolidated financial statements pertain to the consolidation of financial statements of Balaji Amines Limited (the Holding Company) with those of its subsidiary Balaji Speciality Chemicals Private Limited in which the shareholding of the holding company is 55% of the paid-up capital.

II. Company Overview

1. Balaji Amines Limited (BAL) is a public limited company incorporated and domiciled in India and its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).
2. The Registered office of BAL is situated in Solapur, in the state of Maharashtra.
3. BAL is engaged in the business of manufacture and sale of Speciality Chemicals, Aliphatic Amines and derivatives. BAL has its two manufacturing facilities / plants at Tuljapur and Chincholi in Maharashtra and one at Medak, Telangana.
4. BAL owns a Five Star Hotel in Solapur, Maharashtra.
5. BAL has CFL lamps facility at Medak, Telangana.
6. BAL mainly operates in three segments i.e., Specialty Chemicals and Amines, Hotel and CFL Lamps. A new facility for manufacture of Specialty Chemicals is under construction at Chicholi, Maharashtra.
7. BAL has a subsidiary, in which BAL's holding is 55%, engaged in the manufacture of Specialty Chemicals. The subsidiary has its manufacturing facility in Chincholi, Maharashtra.

III. Compliance with Indian Accounting Standards

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) as notified under section 133 of the Companies Act 2013 (the Act), read with Companies (Indian Accounting Standard) Rules 2015. The Company has uniformly applied all the applicable accounting policies during the periods presented.

IV. Reporting Currency

The Financial statements are presented in Indian Rupees which is also the functional and presentation currency of the Company and all amounts are rounded off to nearest rupee.

V. Overall Considerations

The financial statements have been prepared using significant accounting policies that are in effect as on 31st March, 2021 as presented in detail hereunder.

VI. COVID-19 Impact

The Company has evaluated the impact of Coronavirus (COVID-19) impact on the operations and future economic activity of the Company and based on its review and current indicators and future economic prospects there is no significant impact on the business of the Company or its operations.

VII. Accounting Policies and Other Information

1. System of Accounting:

- i. The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.
- ii. The financial statements have been prepared in all material respects with Indian Accounting Standards as relevant and notified by the Central Government.
- iii. The financial statements are prepared as a going concern and on historical cost basis except for certain financial assets and liabilities that are measured at fair value where mandated or required by the relevant Indian Accounting Standard.

2. Revenue recognition:

- i. Revenues are generally recognized in all material aspects in accordance with Ind AS 115.
- ii. Sale of goods is recognized at the point of dispatch of goods to customers, i.e. when the substantial rights of ownership and risks are passed on to the customers. Gross sale is exclusive of GST.
- iii. Income from guest accommodation in respect of hotel division is recognized on day to day basis after the guests checks-in. Discounts if any in this regard are accounted upon final conclusion of the bill with the guests. Advance, if any, received against room bookings are treated as a liability pending finalization of bill / provision of services.
- iv. Income from sale of Food & Beverages is recognized at the point of serving of these items to the guests. The income stated is exclusive of Taxes.
- v. Dividends from investment are recognized as income of the year in which the same are declared by in the investee company.
- vi. Interest income is recognized on accrual basis taking into account the amount outstanding and rate applicable.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021 (Contd.)

3. Property, plant and equipment:

Property, plant and equipment acquired by the Company are reported at acquisition value. The acquisition cost for this purpose includes the purchase price (net of duties and taxes which are recoverable in future) and expenses directly attributable to the asset to bring it to the site and in the working condition for its intended use. Interest during construction period up to the date of commencement of operations, indirect project expenditure and trial run expenditure (net of trial run income, if any) incurred in respect of projects under implementation are capitalized to the asset constructed / created. Spares and tools that are not in the nature of 'Property, Plant & Equipment' are treated as part of inventories. The costs incurred for the repairs and maintenance of these assets are charged to revenue.

The cost of assets under construction as on the Balance Sheet date, are classified under the head "capital work in progress" and will be capitalized as and when put to use.

Land allotted by MIDC on long lease basis is treated as "Lease Hold Land" on the basis of possession letter from MIDC (the Lessor), pending execution of lease agreement. The one-time lump sum premium paid at the time of allotment is amortized over the period of the 95-year lease. The lease amortization relating to the period prior to the commencement of commercial operations on the land so allotted will be capitalized as part of 'indirect project expenditure'. In respect of the land allotted in an earlier year the Company has amortized the lease premium for the earlier years in the current year. The amount pertaining to the earlier year debited to the current year statement of profit and loss is ₹ 27.82 lakhs.

4. Depreciation

Depreciation / amortization on fixed assets is provided on straight line method in accordance with Schedule II of the Companies Act, 2013 in respect of the remaining useful life. The management estimates the useful lives of the assets based on the indicative life span prescribed in Schedule II of the Companies Act, 2013. The useful life of the assets and their respective residual values are reviewed at the end of each financial year and adjusted accordingly.

5. Investments: Investments are stated at cost of acquisition.

6. Inventories:

- a) Finished goods 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. Cost for this purpose, does not include duties/taxes that are recoverable in future.
- d) Food & Beverages:
 1. Groceries: Groceries are valued at cost arrived at on weighted average basis.
 2. Beverages: Valued at cost.

7. Trade Receivables

Trade receivables are stated at the recoverable values. Assessment is made on a periodical basis to assess the credit risk in respect of the credit extended to the customers and adjustments are carried out where necessary and found expedient. Provision, if any, made for the doubtful debts is charged to revenue.

8. Staff Benefits:

- a. Provident Fund Contributions are accounted on accrual basis.
- b. To cover the benefits payable to the employees on retirement, the Company has subscribed to a policy of Group Gratuity Scheme of Life Insurance Corporation of India. All contributions made towards the policy premiums are charged to revenue.

9. Research and Development:

Revenue expenditure on research and development is charged to Statement of profit and loss in the year in which it is incurred. Capital expenditure on research and development is treated at par with other comparable tangible assets and depreciated accordingly.

10. Tax expense:

Accounting treatment in respect of deferred taxation and current tax is in accordance with Indian Accounting Standard 12 (Ind AS 12) - "Income Taxes".

11. Borrowing Costs:

Interest and other costs in respect of borrowings for expansion / additional fixed investments including R & D projects are capitalized to such investments.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH, 2021 (Contd.)**

Borrowing costs relating to period after the commencement of operations of these projects are charged to revenue.

12. 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/settlement are accounted for accordingly. No effect is determined in respect of the repayment and balances in respect of Foreign Currency Loans as the same are paid out of the Foreign Exchange earnings through the Exchange Earners Foreign Currency Accounts in respective currencies.

13. Impairment of Assets:

The carrying amounts of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal / external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using the weighted average cost of capital. In carrying out such exercise, due effect is given to the requirements of Schedule II of the Companies Act, 2013.

14. Earnings Per Share (EPS):

This is calculated by dividing the net profit after tax (PAT) for the period attributable to equity shareholders, by number of shares outstanding at the end of the year. In case there are any changes in the equity during the year, EPS would be calculated on the weighted average number of shares outstanding during the period including adjustments of bonus issue, if any.

15. Corporate Social Responsibility

The Company computes the amount required to be spent on Corporate Social Responsibility in accordance with the provisions of Section 135 of the Companies Act, 2013. The amounts are spent on the eligible projects prescribed under Schedule VII of the Act. Provision is made in the books for the amounts unspent, if any and if material, and the same is carried forward to be spent in the subsequent year. During the year ended 31st March, 2021 the Company has spent the required amount. Hence there are no unspent amounts on this account.

16. Contingent Liabilities:

Disputed demands: Under the Income Tax Act, 1961: ₹ 17.60 Lacs (relating to Assessment Year 2013-14) ₹ 231.08 Lacs (relating to Assessment Year 2014-15), ₹ 9.25 Lacs (relating to Assessment Year 2016-17) and ₹ 29.31 Lacs (relating to Assessment Year 2017-18) in respect of additions made in assessment under section 143(3) of the Income Tax Act, 1961 and disputed in appellate proceedings. The appeals are pending before the First Appellate Authority, Pune. The Company has deposited an amount of ₹ 87.38 Lacs against the aforementioned demands and obtained stay of collection of the balance disputed demand till disposal of the first appeals. The above referred tax payments are grouped under the head "Other Current Assets".

17. Dividends

Dividends are accounted for as an outflow from the accumulated profits in the year in which the same are declared and paid out.

18. Amounts recoverable from employees

The Company has an arrangement with the supplier of coal for supply of coal in specified consignments on a periodic basis. Few consignments aggregating to the value of ₹ 31.71 Lacs have been misappropriated, while in transit, by 2 employees of the Company during the year ended 31st March, 2015. The services of the said employees have been terminated in that year itself and legal action against initiated on these employees including action for the recovery of the above-mentioned amounts. Pending recovery, the amounts are shown under short term advances.

19. Expenditure on Corporate Social Responsibility (CSR):

The Company has incurred an expenditure of ₹ 374.06 Lacs (Previous Year ₹ 268.51 Lacs) on Corporate Social Responsibility initiatives in accordance with the provisions of Section 135 of the Companies Act, 2013. The details of the projects on which the amounts are expended by the Company on Corporate Social Responsibility are given in Note.31 Other expenses.

20. Segment Reporting:

The group operates in three segments viz., (a) Amines & Specialty Chemicals, (b) Hotel segment and (c) CFL Lamps. There is no geographical segment as the Company operates only in India.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021 (Contd.)

The segment results are as under:

₹ In Lacs

Sl. No.	Particulars	Consolidated	
		Year ended	
		31st March, 2021 (Audited)	31st March 2020 (Audited)
1	Segment Revenue		
	Amines & Speciality Chemicals	1,40,101.28	95,272.13
	Hotel Division	720.04	2,037.05
	CFL Lamps	60.71	0.23
	Sub Total :	1,40,882.03	97,309.41
	Less: Inter-segment revenue	9,736.52	3,732.23
	Revenue from operations	1,31,145.51	93,577.18
2	Segment Results before Tax & Interest		
	Amines & Speciality Chemicals	36,625.73	15,606.34
	Hotel Division	(303.39)	(33.44)
	CFL Lamps	(1,833.57)	(159.08)
	Total :	34,488.77	15,413.82
a	Less : Interest		
	Amines & Speciality Chemicals	1,824.11	2,287.77
	Hotel Division	4.94	15.69
	CFL Lamps	0.18	-
	Total :	1,829.23	2,303.46
b	Segment Profit/Loss (-) before tax		
	Amines & Speciality Chemicals	34,801.62	13,318.57
	Hotel Division	(308.33)	(49.13)
	CFL Lamps	(1,833.75)	(159.08)
	Total :	32,659.54	13,110.36
3	Capital Employed		
a	Segment Assets		
	Amines & Speciality Chemicals	1,23,016.08	1,00,822.26
	Hotel Division	6,864.76	7,404.80
	CFL Lamps	1,152.09	3,083.19
	Total :	1,31,032.93	1,11,310.25
b	Segment Liabilities		
	Amines & Speciality Chemicals	38,907.53	43,310.23
	Hotel Division	974.16	1,028.88
	CFL Lamps	159.15	134.20
	Total :	40,040.84	44,473.31

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH, 2021 (Contd.)**

21. Related Party transactions:

Name of the related party	Relationship	Nature of Transaction	Transaction value Rupees	Balance outstanding - Receivable / (-) Payable as on date of Balance Sheet Rupees	Amount written off / back
Balaji Speciality Chemicals Private Limited	Company in which the Enterprise is substantially interested, by holding 55% of shares in the total paid up share capital.	Unsecured Loan given	₹ 31,00,00,000/-	₹ 77,34,76,847/-	Nil
		Interest Receipt thereon	₹ 6,04,38,446/-	Nil	
Balaji Speciality Chemicals Private Limited	Company in which the Enterprise is substantially interested, by holding 55% of shares in the total paid up share capital.	a. Sales	₹ 79,88,20,134/-	₹ 9,86,30,844/-	Nil
		b. Purchase	₹ 16,94,65,939/-		
Balaji Speciality Chemicals Private Limited	Company in which the Enterprise is substantially interested, by holding 55% of shares in the total paid up share capital.	Rent Receipt	₹ 60,000/-	Nil	Nil
KPR House / Family Trust	A Co-ownership in which Directors and their relatives are interested.	Rent Payment	₹ 4,96,000/-	(Ceased to be related party w.e.f.31.12.2020)	Nil
Thirumala Precicasts Pvt. Ltd.	A Company in which Directors are interested	Rent Receipt	₹ 3,34,115/-	₹ 27,022/-	Nil
MVL Medisynth Pvt. Ltd.	A Company in which Directors are interested	a. Sales	₹ 3,15,17,436/-	Nil	Nil
		b. Purchase	₹ 15,88,104/-		
Sri A. Prathap Reddy	Executive Chairman	Remuneration & Allowances	₹ 52,60,800/-	₹ 2,58,600/-	Nil
		Commission on Profits	₹ 9,80,55,825/-	₹ 9,80,55,825/-	Nil
Sri N. Rajeshwar Reddy	Joint Managing Director	Remuneration & Allowances	₹ 44,38,800/-	Nil	Nil
		Commission on Profits	₹ 6,44,38,950/-	₹ 6,44,38,950/-	Nil
Sri D. Ram Reddy	Managing Director	Remuneration & Allowances	₹ 44,38,800/-	Nil	Nil
		Commission on Profits	₹ 6,44,38,950/-	₹ 6,44,38,950/-	Nil
Sri G. Hemanth Reddy	Whole Time Director & CFO	Remuneration & Allowances	₹ 44,38,800/-	₹ 2,21,100/-	Nil
		Commission on Profits	₹ 3,00,00,075/-	₹ 3,00,00,075/-	Nil
Sri A. Srinivas Reddy	Whole Time Director	Remuneration & Allowances	₹ 39,45,600/-	₹ 1,99,200/-	Nil
		Commission on Profits	₹ 6,49,32,150/-	₹ 6,49,32,150/-	Nil

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021 (Contd.)

22. Additional Information pertaining to Statement of Profit and Loss

Sl. No.	Nature of Income / Expenses	Current Year		Previous Year	
		Amount In Foreign Currency	Amount In ₹	Amount In Foreign Currency	Amount In ₹
1.	Export Earning	\$ 1,72,08,190.09	1,25,99,71,065.12	\$ 1,87,51,774.00	1,30,77,61,040.00
		€ 60,40,924.01	51,97,12,453.18	€ 65,79,187.00	51,17,87,688.00
2.	Sales Commission	\$ 50,561.30	37,01,666.87	\$ 47,725.23	33,24,357.30
3.	Registration & Renewals	\$ 990.00	73,187.00	\$ 315.00	21,641.00
		€ 3,820.00	3,43,532.00	€ 2,711.00	2,16,988.00
4.	Travelling Expenses	€ -	-	€ 1,000.00	79,016.00
		¥ -	-	¥ 39,500.00	4,25,530.00
5.	Exhibition Charges	€ -	-	€ 68,567.37	52,89,996.00
6.	Capital Goods & Spares	\$ 5,19,886.00	3,83,56,810.20	\$ 13,95,788.75	9,81,06,948.00
7.	Raw Material	\$ 2,66,00,528.22	1,96,90,72,628.92	\$ 1,71,38,296.98	1,19,68,42,408.72
		€ 34,265.00	29,78,683.00	€ 2,03,750.00	1,62,41,056.00
8.	Professional / Consultancy Fees	\$ -	-	\$ 2,500.00	1,74,619.00
9.	Finance Charges	\$ 7,158.49	5,28,954.91	\$ 14,229.87	9,93,662.79
		€ 4,280.40	3,67,666.00	€ 3,241.99	2,46,329.90
10.	Transportation Charges	\$ -	-	\$ 1,691.24	1,20,715.39
11.	Technical Know How Fees	\$ 6,91,800.00	5,10,46,686.00	\$ 4,64,000.00	3,24,23,752.00

VIII. The details with respect to the dues under MSME Act are not being furnished as the details are not available with the Company, in spite of the Company having written to its creditors seeking details of their status under the MSME Act. However, there are no dues to the creditors that are more than one year old.

IX. Previous year's figures are regrouped and reclassified wherever considered necessary to conform with the current year grouping / classifications.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH, 2021 (Contd.)**2. PROPERTY, PLANT AND EQUIPMENT**

Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 31st March, 2020	Additions	Deletion	As at 31st March, 2021	For the Period	Adjustments Deletion	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021
Land	34,37,17,685	24,85,157	-	34,62,02,842	7,80,056	-	45,54,746	33,99,42,995	34,16,48,096
Factory Buildings	1,42,13,47,512	-	-	1,42,13,47,512	3,53,53,165	-	29,79,54,131	1,15,87,46,546	1,12,33,93,381
Office Buildings	7,38,40,688	-	-	7,38,40,688	11,66,439	-	71,75,179	6,78,31,948	6,66,65,509
Wind Electric Generator	17,16,03,446	-	-	17,16,03,446	68,82,203	-	9,39,81,865	8,45,03,784	7,76,21,581
Plant & Machinery	4,77,75,91,849	3,10,87,691	1,55,75,228	4,79,31,04,312	23,61,42,508	1,01,82,683	1,56,78,53,563	3,43,56,98,111	3,22,52,50,749
Plant & Machinery R & D	55,99,58,918	-	-	55,99,58,918	2,23,42,653	-	19,62,61,548	38,60,40,023	36,36,97,370
Furniture & Fixtures	23,32,78,860	12,91,864	-	23,45,70,724	2,41,88,325	-	18,18,44,345	7,56,22,840	5,27,26,379
Office Equipment	1,91,11,840	5,58,646	-	1,96,70,486	8,23,125	-	1,65,28,611	34,06,354	31,41,875
Vehicles	5,73,58,331	25,56,769	23,64,505	5,75,50,595	61,57,100	13,25,662	3,69,20,754	2,52,69,015	2,06,29,841
Others	22,33,71,725	1,17,17,954	-	23,50,89,679	1,02,74,192	-	6,34,79,221	17,01,66,696	17,16,10,458
Total:	7,88,11,80,854	4,96,98,081	1,79,39,733	7,91,29,39,202	34,41,09,766	1,15,08,345	2,46,65,53,963	5,74,72,28,312	5,44,63,85,239
Less : Interest capitalised adjustment for FY 2018-19 & 2019-20 in the books of Subsidiary	1,72,18,537	-	-	1,72,18,537	-	-	-	1,72,18,537	1,72,18,537
Total:	7,86,39,62,317	4,96,98,081	1,79,39,733	7,89,57,20,665	34,41,09,766	1,15,08,345	2,46,65,53,963	5,73,00,09,775	5,42,91,66,702

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021 (Contd.)

3. CAPITAL WORK IN PROGRESS

Particulars	₹	
	As at 31st March, 2021	As at 31st March, 2020
Expansion Project - at the beginning of the year	46,26,67,366	2,42,53,60,674
Expenditure incurred during the year	1,27,00,89,961	55,48,80,534
At the end of the year	1,73,27,57,327	2,98,02,41,208
Less: Commissioned during the year	-	2,51,75,73,842
Balance A	1,73,27,57,327	46,26,67,366
R & D Project - At the beginning of the year	-	26,92,39,466
Expenditure incurred during the year	-	1,81,92,149
At the end of the year	-	28,74,31,615
Less: Commissioned during the year	-	28,74,31,615
Balance B	-	-
Total (A+B)	1,73,27,57,327	46,26,67,366

4. OTHERS

Particulars	₹	
	As at 31st March, 2021	As at 31st March, 2020
Deposit with Government Departments	4,39,14,437	4,38,34,990
Others-Security Deposits	54,04,496	51,58,647
Balance with Scheduled Banks		
In Margin money deposits (towards guarantees issued by banks.)	97,89,642	94,86,090
Total	5,91,08,575	5,84,79,727

5. OTHER NON-CURRENT ASSETS

Particulars	₹	
	As at 31st March, 2021	As at 31st March, 2020
Advances towards Capital Goods	10,81,50,751	26,94,22,081
Preliminary Expenses	32,63,534	43,51,378
Total	11,14,14,285	27,37,73,459

6. INVENTORIES

Particulars	₹	
	As at 31st March, 2021	As at 31st March, 2020
[As verified, valued and certified by the Management]		
Raw Material	42,25,01,909	18,52,99,235
Work-in-Process	2,45,49,522	21,35,50,691
Finished Goods	37,71,43,175	33,26,81,347
Goods-in-transit / at Bonded Warehouse	11,53,24,674	16,43,88,507
Housekeeping, Kitchen, Stewarding	50,09,975	48,46,877
Food & Beverages	24,13,592	30,26,360
Stores, Spares	6,67,13,406	6,50,34,019
Packing Materials	3,29,32,040	2,08,52,420
Fuel & Others etc.	5,27,91,478	9,83,80,864
Total	1,09,93,79,771	1,08,80,60,320

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH, 2021 (Contd.)**7. INVESTMENTS**

Particulars	As at 31st March, 2021	As at 31st March, 2020
Others		
National Saving Certificate	10,000	10,000
Canara Robeco Mutual Fund	-	1,50,00,000
ICICI Prudential Mutual Fund	-	1,50,00,000
Sundaram Money Fund	-	44,50,00,000
Total	10,000	47,50,10,000

8. TRADE RECEIVABLES

Particulars	As at 31st March, 2021	As at 31st March, 2020
(Unsecured and considered good)	3,05,65,81,223	2,07,43,86,362
Total	3,05,65,81,223	2,07,43,86,362

9. CASH AND CASH EQUIVALENTS

Particulars	As at 31st March, 2021	As at 31st March, 2020
Cash in hand	56,343	1,09,165
Balance with Scheduled Banks		
In current accounts	3,88,84,734	4,29,68,618
Balance to the credit of the company in Cash Credit Accounts	13,42,82,155	-
Total	17,32,23,232	4,30,77,783

10. BANK BALANCE

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balance with Scheduled Banks		
In Margin money deposits	2,32,08,950	4,50,33,134
Total	2,32,08,950	4,50,33,134

11. OTHER CURRENT ASSETS

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balance with Revenue Authorities	29,66,14,039	34,49,21,694
Advances to Suppliers	27,48,40,296	3,11,35,046
Employees' advances	16,28,806	15,56,139
Income Tax Refund Receivable	2,28,56,635	6,42,90,617
Tax Paid against disputed demand (A.Y. 2013-14)	19,98,336	17,59,120
Tax Paid against disputed demand (A.Y. 2014-15)	2,31,08,000	62,08,040

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021 (Contd.)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Tax Paid against disputed demand (A.Y. 2016-17)	9,25,310	1,85,262
Tax Paid against disputed demand (A.Y. 2017-18)	29,30,610	5,86,323
Tax Paid against disputed demand (A.Y. 2019-20)	1,95,770	-
Others - Unsecured, considered good	4,11,99,319	2,92,32,505
Total	66,62,97,121	47,98,74,746

12. EQUITY SHARE CAPITAL

Particulars	As at 31st March, 2021	As at 31st March, 2020
a. Authorised		
At the beginning of the year	45,50,00,000	45,50,00,000
22,75,00,000 Equity Shares of ₹ 2/- each.		
At the end of the year	45,50,00,000	45,50,00,000
b. Movements in paid up capital		
At the beginning of the year	6,48,02,000	6,48,02,000
Changes during the year	-	-
At the end of the year	6,48,02,000	6,48,02,000

13. OTHER EQUITY - RESERVES AND SURPLUS

Particulars	As at 31st March, 2021	As at 31st March, 2020
a) Capital Reserves	6,20,505	6,20,505
b) Share Premium Account	5,69,61,000	5,69,61,000
c) State Subsidy	2,97,90,000	2,97,90,000
Total A	8,73,71,505	8,73,71,505
d) General Reserve		
At the beginning of the year	74,16,21,000	62,78,68,000
Add : Transfer from statement of Profit and Loss	23,17,11,000	11,37,53,000
Total B	97,33,32,000	74,16,21,000
e) Balance in Statement of Profit and Loss brought forward from previous year	5,68,76,18,971	4,96,45,29,586
Add : Profit for the year	2,38,19,24,835	1,04,79,75,272
Less : (i) Transfer to General Reserve	23,17,11,000	11,37,53,000
(ii) Dividend paid during the year (2018-19)	-	9,07,22,800
(iii) Dividend distribution tax (2018-19)	-	1,88,45,381
(iv) Interim Dividend paid for the year (2019-20)	-	8,42,42,600
(v) Dividend distribution tax - 2019-20	-	1,73,19,200
(vi) Final Dividend 2019-20	1,94,40,600	-
(vii) Transitional Provision Effect of Ind AS116	-	2,906
Balance in Statement of Profit and Loss at the end of year Total C	7,81,83,92,206	5,68,76,18,971
Total other equity (A + B + C)	8,87,90,95,711	6,51,66,11,476

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH, 2021 (Contd.)**14. BORROWINGS**

₹		
Particulars	As at 31st March, 2021	As at 31st March, 2020
1. Secured Term Loan		
(i) HDFC Bank Limited	61,36,36,355	81,06,06,061
(ii) Bank of Baroda	23,48,53,415	34,84,78,415
2. Unsecured Term Loan		
From Other Parties		
A.Prathap Reddy	4,00,00,000	4,00,00,000
Total	88,84,89,770	1,19,90,84,476

The term loan borrowings relate to the subsidiary. These are secured by first charge in all the fixed assets of the subsidiary, both present and future. The directors of the company viz., Sri A Prathap Reddy, Sri D Ram Reddy, Sri. N.Rajeshwar Reddy, Sri G Hemanth Reddy and Sri. A Srinivas Reddy have provided personal guarantees. In addition to the above the parent company has provided corporate guarantee to an extent of ₹ 225.00 Crores to the term lenders. There are no term loan borrowings in the parent company.

15. TRADE PAYABLES

₹		
Particulars	As at 31st March, 2021	As at 31st March, 2020
Amines Division-Creditors for Capital Goods	16,77,61,235	11,43,91,531
Rental Deposit	89,24,000	31,50,000
Total	17,66,85,235	11,75,41,531

16. OTHER FINANCIAL LIABILITIES

₹		
Particulars	As at 31st March, 2021	As at 31st March, 2020
Deposits from Customers	48,60,000	41,60,000
Advance from Customers	2,38,71,835	2,01,57,548
Total	2,87,31,835	2,43,17,548

17. DEFERRED TAX LIABILITIES / ASSETS

₹		
Particulars	As at 31st March, 2021	As at 31st March, 2020
Beginning of the year relating to the fixed assets	43,72,91,375	45,75,00,903
Total	43,72,91,375	45,75,00,903
Add / (Less): Timing difference arising during the year on account of depreciation	3,51,44,621	(2,02,09,528)
Deferred Tax Liability (Net)	47,24,35,996	43,72,91,375

Deferred tax liabilities provided for relate to Property Plant & Equipment and other tangible assets. The company does not have any asset accounted at fair value or any other asset that requires adjustments.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021 (Contd.)

18. OTHER NON-CURRENT LIABILITIES

₹		
Particulars	As at 31st March, 2021	As at 31st March, 2020
Deferred Revenue Export Benefits	96,85,366	2,57,07,273
Total	96,85,366	2,57,07,273

19. BORROWINGS

₹		
Particulars	As at 31st March, 2021	As at 31st March, 2020
a. Secured		
Towards working capital - Repayable on demand		
(i) State Bank of India *	-	35,54,28,028
(ii) HDFC Bank *	10,94,51,509	48,53,95,375
(iii) Bank of Baroda *	-	37,39,38,651
* Includes sub limit of demand Loan		
Total	10,94,51,509	1,21,47,62,054

The borrowings for working capital limits sanctioned by banks, including Working Capital Demand Loans, are secured by pari-pasu first charge by way of hypothecation of stocks & book debts, and second charge on all fixed assets of the company, both present and future. In view of the closure of the term loans, there is no charge on the fixed assets of the parent company on account of the term loans

20. TRADE PAYABLES

₹		
Particulars	As at 31st March, 2021	As at 31st March, 2020
Creditors for raw materials & others	70,09,10,937	53,58,68,678
Creditors for MSME	6,70,57,685	5,77,53,146
Total	76,79,68,622	59,36,21,824

21. OTHER FINANCIAL LIABILITIES

₹		
Particulars	As at 31st March, 2021	As at 31st March, 2020
Advance from Customers	2,45,72,824	-
Current maturities of long term debt from banks payable within twelve months		
(i) HDFC Bank	18,18,18,192	10,60,60,606
(ii) Bank of Baroda	9,09,00,000	7,57,50,000
Interest accrued but not due on borrowings	35,18,306	74,08,580
Total	30,08,09,322	18,92,19,186

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH, 2021 (Contd.)**22. OTHER CURRENT LIABILITIES**

₹

Particulars	As at 31st March, 2021	As at 31st March, 2020
Statutory Dues		
Goods & Service Tax	3,43,81,115	3,35,93,508
Tax Collected at Source	1,14,206	-
Tax Deducted at Source	15,76,491	15,08,239
Value Added Tax	67,483	1,33,548
Total	3,61,39,295	3,52,35,295

23. PROVISIONS

₹

Particulars	As at 31st March, 2021	As at 31st March, 2020
Salaries	1,98,11,330	2,02,58,133
Provident Fund	38,53,097	36,17,047
Employees State Insurance	3,03,615	3,14,051
Remuneration to Directors	32,18,65,950	14,90,84,011
Electricity Charges	3,29,65,189	2,02,79,702
Others - expenses	2,13,88,021	1,69,97,865
Total	40,01,87,202	21,05,50,809

24. CURRENT TAX LIABILITIES

₹

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for Current Tax	81,35,00,000	40,00,00,000
Total	81,35,00,000	40,00,00,000

25. REVENUE FROM OPERATIONS

₹

Particulars	For the Period ended 31st March, 2021	For the Period ended 31st March, 2020
Sale of Aliphatic Amines, Speciality Chemicals, Derivatives of Amines and CFL Lamps.(including Export Benefits)	13,11,45,51,164	9,35,77,18,389
Total Revenue from operations (Net)	13,11,45,51,164	9,35,77,18,389

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021 (Contd.)

26. OTHER INCOME

Particulars	For the Period ended 31st March, 2021	For the Period ended 31st March, 2020
Income from Wind Electric Generator	1,06,71,770	3,27,99,472
Interest on Margin Money Deposit	41,23,307	62,07,127
Interest on Security Deposit	16,39,342	33,75,413
Sales Tax Refund and interest thereon	-	25,44,531
Profit on Sale of Fixed Assets	19,34,472	4,78,011
Profit on Redemption of Mutual Fund	77,40,662	-
Rent Receipt	77,72,003	44,70,797
State Subsidy Received	2,66,68,500	-
Miscellaneous Income	1,91,159	2,62,035
Total	6,07,41,215	5,01,37,386

27. COST OF MATERIAL CONSUMED

Particulars	For the Period ended 31st March, 2021	For the Period ended 31st March, 2020
Opening Stock	19,31,72,472	72,88,38,112
Add: Purchases		
Raw Material - Domestic	3,62,65,02,183	3,06,59,53,895
Raw Material - Imports CIF Value	2,76,82,73,218	1,37,80,92,464
Sub- Total	6,58,79,47,873	5,17,28,84,471
Less : Closing Stock	42,99,25,476	19,31,72,472
Net Total	6,15,80,22,397	4,97,97,11,999

28. CHANGES IN INVENTORIES OF FINISHED GOODS & WORK IN PROCESS

Particulars	For the Period ended 31st March, 2021	For the Period ended 31st March, 2020
(a) Opening Stock		
Finished Goods	33,26,81,347	40,73,27,243
Work-in -process	21,35,50,691	29,74,98,710
Sub- Total (a)	54,62,32,038	70,48,25,953
(b) Closing Stock		
Finished Goods	37,71,43,175	33,26,81,347
Work-in -process	2,45,49,522	21,35,50,691
Sub- Total (b)	40,16,92,697	54,62,32,038
Difference of (a) and (b) Increase (-) / Decrease(+)	14,45,39,341	15,85,93,915

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH, 2021 (Contd.)**29. EMPLOYEE BENEFITS**

₹

Particulars	For the Period ended 31st March, 2021	For the Period ended 31st March, 2020
Salaries, Wages and other allowances	27,90,83,921	28,88,07,567
Remuneration to Directors	34,25,97,950	16,91,64,011
Bonus	1,22,68,378	1,31,73,333
Lockdown Incentive Reward	68,28,768	-
Premium towards Gratuity Scheme of LIC	60,22,651	1,12,81,950
Contribution to Provident Fund	1,91,07,303	1,88,99,572
Contribution to Employees State Insurance	26,00,347	32,84,912
Contribution to Labour Welfare Fund	75,867	72,989
Staff Welfare Expenses	66,60,870	31,18,607
Group Insurance Premium	29,99,119	20,68,127
Total	67,82,45,174	50,98,71,068

30. FINANCE COST

₹

Particulars	For the Period ended 31st March, 2021	For the Period ended 31st March, 2020
Interest on Working Capital Borrowings	3,95,67,935	11,05,89,292
Interest on Term Loan	11,93,34,662	9,24,79,745
Processing Charges	1,01,36,742	1,29,01,344
Interest Cost On Leases As Per Ind AS 116	5,969	10,634
Bank Charges	1,38,77,368	1,43,65,290
Total	18,29,22,676	23,03,46,305

31. OTHER EXPENSES

₹

	For the Period ended 31st March, 2021	For the Period ended 31st March, 2020
a) Manufacturing Expenses		
i) Power and Fuel	1,25,02,26,499	95,03,04,018
ii) Stores, Spares Consumed	9,92,03,582	6,68,05,971
iii) Repairs & Maintenance - Plant & Machinery	6,21,62,643	6,48,99,082
iv) Repairs & Maintenance - Building & Other	1,05,01,907	1,34,07,249
v) Repairs & Maintenance - Kitchen Equipments	5,780	2,67,444
b) Selling & Distribution Expenses		
i) Advertisement, Publicity & Sales Promotion	5,53,00,918	4,55,63,481
ii) Discount on Sales	3,06,83,488	1,21,94,744
iii) Outward Freight	39,38,69,926	30,11,24,773
iv) Packing & Forwarding	32,73,61,573	27,85,32,255
v) Other Selling & Distribution	3,60,91,422	4,95,13,487

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021 (Contd.)

	For the Period ended 31st March, 2021	For the Period ended 31st March, 2020
c) Administrative & General Expenses		
i) Rent	11,89,892	12,42,892
ii) Rates & Taxes	1,75,16,275	1,69,79,676
iii) Repairs & Maintenance - Office Equipments	6,39,962	7,98,802
iv) Repairs & Maintenance - Furniture	4,51,991	61,993
v) Auditors Remuneration		
- As Auditors	25,32,500	18,50,000
- Tax Audit Fees	67,500	-
vi) Premium in respect of "Employer-Employee Policy"	1,34,70,176	-
vii) Other Expenses	7,98,30,909	7,04,64,487
viii) Preliminary Exps. Written off	10,87,844	10,87,844
d) Insurance		
i) Plant & Machinery & Building	1,06,89,687	65,03,035
ii) Wind Electric Generator	4,86,797	1,75,043
iii) Raw Material & Finished Goods	58,75,479	49,60,034
iv) Cash In Transit	7,167	7,167
v) Loss of Profit	39,14,246	34,95,940
vi) Motor Vehicle	8,46,720	9,14,032
vii) Public Liability Act	6,73,557	8,11,238
e) Foreign Exchange Fluctuations Loss / (Gain)	(5,28,72,863)	(3,26,26,358)
f) Research & Development Expenses	94,41,856	53,78,303
g) Expenditure on Corporate Social Responsibility	3,74,06,381	2,68,50,906
h) Operator's Management & Incentives Fees	28,34,908	1,04,99,059
TOTAL	2,40,14,98,722	1,90,20,66,597

Notes 1 to 31 form part of Financial Statements

As per our report of even date
For **Ayyadevara & Co.,**
Chartered Accountants
FRN: 000278S

For and on behalf of Board of Directors

Ayyadevara Srinivas
Proprietor
ICAI Membership No. 028803
Hyderabad, 24th May, 2021.
UDIN: 21028803AAAAW9752

A Prathap Reddy
Executive Chairman
DIN 00003967

G Hemanth Reddy
Whole Time Director & CFO
DIN 00003868

D.Ram Reddy
Managing Director
DIN 00003864

Subject: Deduction of Tax at Source on Dividend and Update of Bank Account and Contact Details

Dear Shareholder,

As you may be aware, in terms of the provisions of the Income-tax Act, 1961, (the "Act") as amended by the Finance Act, 2020, dividend paid or distributed by a company on or after April 01, 2020 shall be taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source at the time of payment of dividend.

Needless to mention, the Permanent Account Number ("PAN") will be mandatorily required to be provided.

Please note that:

- Section 206AB has been introduced by the Finance Act, 2021, whereby TDS will be higher of the following:
- Twice the rate specified in the relevant provision of the Income-tax Act; or
- Twice the rate or rates in force; or
- the rate of 5%;

In case a person has not filed his/her Return of Income for each of the two preceding financial years and the aggregate of tax deducted at source (TDS) including tax collected at source (TCS) in his/her case is Rs.50,000 or more in each of these two financial years. The aggregate amount of TDS / TCS of Rs. 50,000 in a year is not limited to TDS only on dividend income received by the shareholder but will include all TDS transactions of the shareholder during the relevant financial year. These provisions will be effective from July 01, 2021. The shareholder is required to provide a self- declaration to this effect. <http://www.balajiamines.com/investor-relations> for the format of self - declaration.

To summarise, dividend will be paid after deducting the tax at source as under:

For Resident Shareholders:

Particulars	Applicable Rate	Documents required (if any)
With PAN	10%*	Update/Verify the PAN, and the residential status as per Act, if not already done, with the depositories (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agent (in case of shares held in physical mode). In case of Individual shareholder, TDS would not apply if the aggregate of total dividend distributed to the shareholder by the Company during financial year 2021-22 does not exceed ₹ 5,000.
Without PAN/ Invalid PAN	20%	N.A.
Submitting Form 15G/ Form 15H	NIL	Duly verified Form 15G or 15H (as may be applicable in duplicate) is to be furnished along with self-attested copy of PAN card. Blank Form 15G and 15H can be downloaded from the below links or from the websites of Income Tax viz. www.incometax.gov.in http://www.balajiamines.com/investor-relations download - 15H http://www.balajiamines.com/investor-relations download - 15G
Submitting Order under Section 197 of the Act	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from tax authority. Tax will be deducted at the rate specified in the said certificate, subject to furnishing a self-attested copy of the same. The certificate should be valid for the financial year 2021-22 and should cover the dividend income.
An Insurance Company as specified under Sec 194 of the Act	NIL	Self-declaration that it has full beneficial interest with respect to the shares owned by it along with self-attested copy of PAN card and copy of registration certification issued by the IRDAI.
Mutual Fund specified under clause (23D) of Section 10 of the Act	NIL	Self-declaration that they are specified in Section 10 (23D) of the Act along with self-attested copy of PAN card and registration certificate.
Alternative Investment Fund (AIF) established in India	NIL	Self-declaration that they are specified in Section 10 (23FBA) of the Act and established as AIF under the SEBI regulations along with self-attested copy of PAN card and registration certificate issued by SEBI.

For Non- Resident Shareholders:

Particulars	Applicable Rate	Documents required (if any)
Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess)	Update/Verify the PAN and legal entity status as per the Act, if not already done, with the depositories or with the Company's Registrar and Transfer Agent (" RTA "), as the case may be. Provide declaration whether the investment in shares has been made under the general FDI route or under the FPI route.
Other Non-resident shareholders	20% (plus applicable surcharge and cess)	Update/Verify the PAN, legal entity status and the residential status as per the Act, if not already done, with the depositories or with the Company's RTA", as the case may be.

Particulars	Applicable Rate	Documents required (if any)
Lower rate prescribed under the tax treaty which applies to the non-resident shareholder	Tax Treaty Rate	<p>In order to apply the Tax Treaty rate, submit the following documents:</p> <ol style="list-style-type: none"> 1. Self-attested copy of Indian Tax Identification number (PAN). 2. Self-attested copy of the Tax Residency Certificate applicable for the period 1 April 2021 to 31 March 2022 obtained from the tax authorities of the country of which the shareholder is a resident. 3. Self-declaration in Form 10F duly filled and signed (http://www.balajiamines.com/investor-relations download - 10F). 4. Self-declaration from Non-resident (http://www.balajiamines.com/investor-relations download - Self declaration), primarily covering the following: <ul style="list-style-type: none"> • Non-resident is eligible to claim the benefit of respective tax treaty; • Non-resident receiving the dividend income is the beneficial owner of such income; • Dividend income is not attributable/ effectively connected to any Permanent Establishment or Fixed Base in India; • Non-resident complies with any other condition prescribed in the relevant Tax Treaty and provisions under the Multilateral Instrument ('MLI'); • Non-resident does not have a place of effective management in India. <p>Application of the beneficial rate of tax treaty for TDS is at the discretion of the Company and shall depend upon completeness of the documentation and review of the same by the Company/ RTA.</p>

To enable the Company to determine the appropriate TDS / withholding tax rate applicable, we request you to provide the above details and documents not later than July 30 2021, provided you continue to hold shares of the Company on the Book Closure date to be entitled to receive said dividend.

Kindly note that the aforementioned documents may sent to RTA investor.relations@vccipl.com or You can also email the same to cs@balajiamines.com. No communication on the tax determination / deduction shall be entertained after July 30, 2021.

In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details / documents, you would still have the option of claiming refund of the excess tax paid at the time of filing your income tax return.

Updating of PAN, email address and other details

Shareholders holding shares in dematerialized mode, are requested to update their records such as tax residential status, permanent account number (PAN), registered email addresses, mobile numbers and other details with their relevant depositories through their depository participants. Shareholders holding shares in physical mode are requested to furnish details to the registrar and share transfer agent at investor.relations@vccipl.com. The Company is obligated to deduct tax at source (TDS) based on the records available with RTA and no request will be entertained for revision of TDS return.

Kindly note that the aforementioned documents should be sent before July 30, 2021 with the Registrar and Transfer Agent at investor.relations@vccipl.com.

Update of Bank account details:

While on the subject, we request you to submit / update your bank account details with your Depository Participant, in case you are holding shares in the electronic form. In case your shareholding is in the physical form, you will have to submit a scanned copy of a covering letter, duly signed by you, along with a cancelled cheque leaf with your name and bank account details and a copy of your PAN card duly self-attested. This will facilitate receipt of dividend directly into your bank account. In case the cancelled cheque leaf does not bear your name, please attach a copy of the bank pass-book statement, duly self-attested.

We seek your co-operation in the matter.

No claim shall lie against the Company for tax deducted at higher rate, for any reason, whatsoever.

The Company shall arrange to email the soft copy of TDS certificate to you at your registered email ID in due course, post payment of the said dividend.

Shareholders will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at <https://www.incometax.gov.in/>

To receive dividend amount directly in your bank account, we request you to submit / update your bank account details with your Depository Participant, in case you are holding shares in the electronic form. In case you are holding shares in physical form, you will have to submit a scanned copy of a covering letter, duly signed by the first shareholder, along with a cancelled cheque leaf with your name and bank account details and a self-attested copy of your PAN card, with VCCIPL. In case the cancelled cheque leaf does not bear your name, please attach a self-attested copy of your bank pass-book statement.

We also request you to update / register your email address and mobile numbers with your Depository Participant, in case you are holding shares in the electronic form and with the Company or VCCIPL at the above mentioned email address, if you are holding shares in physical form, for the purpose of receiving communications including annual reports and notices, from the Company over e-mail.

We seek your co-operation in the matter.

Corporate Information

Board of Directors

Mr. A. Prathap Reddy	Executive Chairman
Mr. D. Ram Reddy	Managing Director
Mr. N. Rajeshwar Reddy	Joint Managing Director
Mr. A. Srinivas Reddy	Whole-time Director
Mr. G. Hemanth Reddy	Whole-time Director & CFO
Mr. T. Naveena Chandra	Independent Director
Mr. C.S.N. Murthy	Independent Director
Mr. Kashinath R. Dhole	Independent Director
Mr. M. Amarender Reddy	Independent Director
Mrs. Vimala B. Medon	Independent Director

Company Secretary and Compliance Officer

Mrs. Jimisha Parth Dawda
(upto 21st January, 2021)

Mrs. Soniya Nilesh Mahajan
(w.e.f 1st July, 2021)

Audit Committee

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

Stakeholders' Relationship Committee

Mr. M. Amarender Reddy	Chairman
Mr. A. Prathap Reddy	Member
Mr. G. Hemanth Reddy	Member

Research & Development Committee

Mr. A. Prathap Reddy	Chairman
Mr. N. Rajeshwar Reddy	Member
Mr. A. Srinivas Reddy	Member

Nomination and Remuneration Committee

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

Corporate Social Responsibility Committee

Mr. Kashinath R. Dhole	Chairman
Mr. N. Rajeshwar Reddy	Member
Mr. D. Ram Reddy	Member

Risk Management Committee

Mr. C.S.N. Murthy	Chairman
Mr. N. Rajeshwar Reddy	Member
Mr. G. Hemanth Reddy	Member
Mr. M. Amarender Reddy	Member

Offices

Registered office

Balaji Towers
No. 9/1A/1, Hotgi Road, Asara Chowk, Solapur
Maharashtra, India-413224

Administrative Office

47, Kavuri Hills,
Hyderabad - 500 033

Factories

Unit 1

Tamalwadi Village, Taluka-Tuljapur
Osmanabad-413 623, Maharashtra

Unit 2

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

Unit 3

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

Unit 4

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

Unit 5

Nandi Kandi, Sadasivpet,
Sangareddy-502 001, Telangana

Hotel Division

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

Statutory Auditors

M/s. Ayyadevara & Co.

Chartered Accountants,
No. 1-2-386/A/1, Gagan Mahal Colony,
Hyderabad-500 029, Telangana

Secretarial Auditors

M/s. P. S. Rao & Associates

Company Secretaries
Flat No. 10, 4th Floor, # 6-3-347/22/2, Ishwarya Nilayam,
Dwarakapuri Colony, Panjagutta,
Hyderabad-500 082, Telangana

Cost Accountant

Mr. N.V.S. Kapardhi

Practising Cost Accountant,
SRT-148, GHMC No: 7-1-621/468,
Sanjeev Reddy Nagar, Hyderabad - 500 038, Telangana

Bankers

State Bank of India
HDFC Bank Limited
Bank of Baroda

Share Transfer Agents

Venture Capital and Corporate Investments Pvt. Limited
12-10-167 Bharatnagar, Hyderabad-500 018, Telangana
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