

**BALAJI SPECIALITY CHEMICALS  
PRIVATE LIMITED**

**8<sup>TH</sup> ANNUAL REPORT  
2017-18**

**BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED**

**8<sup>TH</sup> ANNUAL REPORT 2017-18**

**Board of Directors:**

- |                               |   |                      |
|-------------------------------|---|----------------------|
| 1. Mr. N. Rajeshwar Reddy     | - | Managing Director    |
| 2. Mr. A. Prathap Reddy       | - | Director             |
| 3. Mr. A. Srinivas Reddy      | - | Director             |
| 4. Mr. G. Hemanth Reddy       | - | Director             |
| 5. Mr. D. Ram Reddy           | - | Director & CFO       |
| 6. Mr. KashinathRevappa Dhole | - | Independent Director |
| 7. Mr. RajendraKumarTapadiya  | - | Independent Director |
| 8. Ms. JimishaParthDawda      | - | Company Secretary    |

**Audit Committee:**

- |                               |   |          |
|-------------------------------|---|----------|
| 1. Mr. KashinathRevappa Dhole | - | Chairman |
| 2. Mr. RajendraKumarTapadiya  | - | Member   |
| 3. Mr. G. Hemanth Reddy       | - | Member   |

**Nomination and Remuneration Committee:**

- |                               |   |          |
|-------------------------------|---|----------|
| 1. Mr. KashinathRevappa Dhole | - | Chairman |
| 2. Mr. RajendraKumarTapadiya  | - | Member   |
| 3. Mr. G. Hemanth Reddy       | - | Member   |

**Auditor:**

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

**Registered Office:**

2<sup>nd</sup> Floor, 'Balaji Towers' No. 9/1A/1,  
Hotgi Road, Aasara Chowk,  
Solapur - 413 224, Maharashtra.

**Works:**

Plot No. E/81, Chincholi  
M.I.D.C., Tal. Mohol,  
Dist. Solapur - 413 255.



## Speciality Chemicals Private Limited

(Formerly known as BALAJI BENZOCEM PRIVATE LIMITED)

CIN: U24299PN2010PTC137162

Registered office: 2<sup>ND</sup>FLOOR, BALAJI TOWERS NO. 9/1A/1, HOTGI ROAD, AASARA CHOWK,  
SOLAPUR - 413 224

PHONE : 0091-217-2600 127, FAX : 0091-217-2451 521 E-MAIL:info@balajispecialitychemicals.com

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### NOTICE

NOTICE is hereby given that the 8<sup>th</sup>Annual General Meeting of the members of **BALAJI SPECIALITY CHEMICALSPRIVATE LIMITED** will be held at Registered Office of the Company on Saturday the 29<sup>th</sup> day of September , 2018 at 10:00 a.m. to transact the following businesses:

#### Ordinary Business:

1. To receive, consider and adopt the Balance-sheet as at 31<sup>st</sup>March, 2018 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors' and the Auditor's thereon.
2. To appoint a Director in place of Mr. A. Srinivas Reddy (DIN No. 03169721) who retires by rotation and being eligible, offers himself for re-appointment.

#### Special Business:

3. To consider, and if thought fit to pass, with or without modification, the following resolution as an Ordinary Resolution for appointment of Independent Director .

“RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Mr. Rajendrakumar Tapadiya (DIN 00103949), Independent Director who was appointed as additional Director of the Company pursuant to provisions of Section 161 of the act and who holds office as such up to the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act 2013 proposing his candidature for the office of Director of the Company be and is hereby appointed as Independent Director of the Company, whose period of office shall not be liable to retire by rotation, to hold office for five consecutive years with effect from 29th September 2018 upto 28th September 2023.”

4. To consider, and if thought fit to pass, with or without modification, the following resolution as an Ordinary Resolution for appointment of Independent Director .

“RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Mr. Kashinath R. Dhole (DIN 01076675), Independent Director and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act 2013 proposing his candidature for the office of Director of the Company be and is hereby appointed as Independent Director of the Company, whose period of office shall not be liable to retire by rotation, to hold office for five consecutive years with effect from 29th September 2018 upto 28th September 2023.”

#### Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company.
2. The proxy form duly filled in, stamped and attested should reach the Registered Office of the Company at least 48 hours before the time of the meeting.
3. Location map of the venue of the General Meeting is attached herewith.



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By order of the Board of Directors  
For BalajiSpeciality Chemicals Private Limited

Ram Reddy Dundurapu  
Director  
DIN: 00003864

Place:Solapur  
Date:9<sup>th</sup> May, 2018

A. Srinivas Reddy  
Director  
DIN: 03169721



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### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

#### Item No 3:

The Board of Directors co-opted Mr. Rajendrakumar Tapadiya, as Additional Director w.e.f 9.5.2018. pursuant to the provisions of Section 161 of the Companies Act 2013 and rules made there under, who holds office as such up to the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act 2013, along with a deposit proposing his candidature for the office of Director of the Company. As per the provisions of Section 160 of the Act, any such proposal ought to be approved by the members in their Meeting.

The Board considers that the appointment of Mr. RajendraKumar Tapadiya as a Director of the Company would be of immense benefit to the Company. Except Mr. Rajendrakumar Tapadiya being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item 3

#### Item No 4 :

The Board at its meeting held on 9<sup>th</sup> May, 2018 has approved Change in designation of Mr. Kashinath Dhole to Independent Director. In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of the Mr. Kashinath R. Dhole as Independent Directors is now being placed before the Members in General Meeting for their approval.

The terms and conditions of appointment of Independent Director shall be open for inspection by the Members at the Registered Office of the Company on all working days except Saturdays, during business hours upto the date of the Meeting.

Except Mr. Kashinath Dhole being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item 4

All documents concerning these items are available for inspection at the Registered Office of the Company from 11.00 A.M. to 01.00 P.M. on all working days till the date of the forthcoming Annual General Meeting of shareholders.

By order of the Board of Directors  
For BalajiSpeciality Chemicals Private Limited

Ram Reddy Dundurapu  
Director  
DIN: 00003864

A. Srinivas Reddy  
Director  
DIN: 03169721

Place :Solapur  
Date : 9<sup>th</sup> May, 2018



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## DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2018

To,  
The Shareholders of,  
**BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED**

Your Directors have pleasure in presenting the 8<sup>th</sup> Annual Report of the Company for the Financial Year ended March 31, 2018 along with the Auditors' Report thereon.

Highlights of the operations during the year are as follows.

**1. Financial Results:**

The accounts of the company has been prepared for the year ended 31.03.2018:

**Company has not yet started any commercial operations**

**2. Dividend:**

There is no business activity; hence directors do not recommend any dividend.

**3. Reserves:**

Company has not transferred any amount to its' General Reserve.

**4. Change in the Nature of Business, if any:**

There is no change in the nature of business of the Company during the Financial Year 2017-18.

**5. Material Changes and Commitments, if any, affecting the Financial Position of the Company Which have Occurred between the end of the Financial Year to Which the Financial Statements Relate and the Date of the Report:**

No material changes have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

**6. Details of Significant and Material Orders Passed by the Regulators or Courts or Tribunals impacting the Going Concern Status and Company's Operations in Future:**

There are no significant and material orders passed by the Regulators, Courts or Tribunals, which affects the going concern status of the Company and its operations, in future.

**7. Details of Subsidiary / Joint Ventures / Associate Companies:**

There are no Subsidiary / Joint Ventures / Associates of the Company as on March 31, 2018. As such, there is nothing to report under this clause.

However, the Company has become subsidiary of the Balaji Amines Limited pursuant to an investment of Rs. 66 Crores made by Balaji Amines Limited in the equity shares of the company during the FY 2017-18.



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### 8. Transfer of Unclaimed Dividend to Investor Education and Protection Fund:

Since there was no unpaid/unclaimed Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.

### 9. Deposits:

The Company has not accepted any deposits in pursuant to Section 73 of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 during the period under review.

During the financial year under review, the Company has received unsecured loans of amounting to Rs. 4,50,00,000- from its Directors and relatives and in this regard, a declaration in writing has been obtained to the effect that the amount so given is not out of funds acquired or borrowed or accepted loans or deposits from others

### 10. Statutory Auditors:

M/s. Aherkar & Co, Chartered Accountants (Firm Regn No. 100170W) who were appointed as the Statutory Auditors of the Company in the Annual General Meeting (AGM) held on 30th September, 2014 for a period of 5 years subject to ratification in every AGM, being eligible has provided eligibility Certificate. They shall hold office till the conclusion of 9th AGM.

Pursuant to Companies (Amendment) Act, 2017, the provision pertaining to ratification of appointment of Statutory Auditor has been omitted with effect from 07th May, 2018.

Hence, the agenda for ratification of appointment of Statutory Auditor has not been proposed in the notice of ensuring AGM.

### 11. Auditor's Report:

Auditors have not made any qualification or did not make any adverse remark in their report regarding financial statement.

### 12. Secretarial Audit Report:

Provisions of secretarial audit of the company are not applicable to the company.

### 13. Extract of the Annual Return:

The extract of the Annual Return in Form No MGT-9 is mentioned as Annexure-I.

### 14. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

#### a. Conservation of Energy

- i) The operations of the Company are not power intensive. However it is very careful in using the power to reduce the cost of maintenance and conserve the resources.



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- ii) As the Company is not a power intensive unit there are no requirements for utilizing of alternate sources of energy
- iii) The Company has not made any additional investments and has not proposed any amount for reduction of consumption of energy.

### b. Technology Absorption

- i) Efforts made towards technology absorption: **Nil**
- ii) Benefits derived like product improvement, cost reduction, product development, import substitution: **Nil**
- iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished:
  - a) Details of technology imported - **Nil**
  - b) Year of import - **Nil**
  - c) Whether the technology been fully absorbed - **Nil**
  - d) If not fully absorbed, areas where absorption has not taken place, and the reasons therefore - **Nil**
- iv) Expenditure incurred on Research and Development - **Nil**

### c. Foreign Exchange Earning and Outgo: Nil

## 15. Corporate Social Responsibility:

Threshold limit for applicability of CSR to a company under Section 135 of the Companies Act, 2013 is not applicable to the company. Hence Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 is not applicable to the company.

## 16. Details of Directors or Key Managerial Personnel who were appointed or have Resigned during the Year:

Company is having 7 Directors as under:

- 1. Mr. N. Rajeshwar Reddy - Managing Director
- 2. Mr. A. Prathap Reddy - Director
- 3. Mr. A. Srinivas Reddy - Director
- 4. Mr. G. Hemanth Reddy - Director
- 5. Mr. D. Ram Reddy - Director & CFO
- 6. Mr. Kashinath Revappa Dhole - Independent Director
- 7. Mr. Rajendra Kumar Tapadiya - Independent Director

There were no changes in the Details of Directors or Key Managerial Personnel during the Financial Year 2017-18.





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However Mr. Ram Reddy Dundurapu was appointed as Director & CFO w.e.f 16<sup>th</sup> May, 2018 and Ms. JimishaParthDawda was appointed as Company Secretary w.e.f 16<sup>th</sup> May, 2018.

Mr. RajendrakumarTapadiyaand Mr. Kashinath R. Dhole were appointed as Independent Directorsw.e.f. 9<sup>th</sup> May, 2018.

### 17. Number of Meetings of the Board of Directors:

There were Fifteen (15) board meetings held and the Directors attended the same.

Sr. No.	Date of Meeting	Board Strength	No. of Directors Present
1	12.05.2017	6	3
2	04.09.2017	6	3
3	12.09.2017	6	3
4	05.10.2017	6	3
5	28.10.2017	6	3
6	09.11.2017	6	4
7	09.11.2017	6	4
8	04.12.2017	6	3
9	09.12.2017	6	3
10	03.01.2018	6	3
11	16.01.2018	6	3
12	31.01.2018	6	3
13	07.02.2018	6	3
14	16.03.2018	6	4
15	27.03.2018	6	4

### 18. Particulars of Loans, Guarantees or Investments under Section 186:

During the year, your Company has not advanced any loan,which falls under Section 186 of the Companies Act, 2013.

### 19. Particulars of Contracts or Arrangements with Related Parties:

During the year under review, the Company did not enter into any contract/arrangement with the related parties as specified in Sub-section (1) of Section 188 of the Companies Act, 2013 All Transactions entered into with related parties during the year were in Ordinary Course of the Business and on Arm's Length basis.

### 20. Risk Management Policy:

In the opinion of the Board, as of date there are no identifiable elements of risk, which may threaten the existence of the company. Board of Directors acknowledges need for reviewing risk elements on continuous basis and has initiated procedure to prepare Business Continuity Plan.

### 21. Remuneration Policy:

The Remuneration policy of the Company forms part of this report.



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### 22. Declaration by an Independent Director(s)

Declarations by an Independent Director(s) is not applicable during the year under report as the Company do not have Independent Director(s).

### 23. Directors' Responsibility Statement:

- a. The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that:-
- b. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- c. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;
- d. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- e. The Directors had prepared the annual accounts on a going concern basis; and
- f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

### 24. Obligation of Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act:

Your Company has always believed in providing a safe and harassment free workplace for every individual working in premises through various interventions and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment.

Company has an Internal Compliance Committee In pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder, the Company has not received any complaints on sexual harassment during the financial year 2016-2017.

During the year Company has not received any complaint of harassment.

### 25. 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, and size and complexity of its operations. Internal control systems comprising



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of policies and procedures designed 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 are acquired and used economically.

### 26. Acknowledgements:

Your Board expresses gratitude for the patronage of its valued shareholders, customers.

The Board is also thankful to the concerned local authorities at all locations, as well as bankers for their continued support.

**By order of the Board of Directors  
For BalajiSpeciality Chemicals Private Limited**

**Ram Reddy Dundurapu**  
Director  
DIN: 00003864

Place :Solapur  
Date :9<sup>th</sup> May, 2018

**A. Srinivas Reddy**  
Director  
DIN: 03169721



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## Form No. MGT - 9

### EXTRACT OF ANNUAL RETURN As on the Financial Year ended on 31-MAR-18

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

1.	CIN	U24299PN2010PTC137162
2.	Registration Date	20.08.2010
3.	Name of the Company	BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED
4.	Address of the Registered Office and Contact Details	2 <sup>nd</sup> Floor, Balaji Towers, AasaraChowk, Hotgi Road, Solapur 413224.
5.	Category / Sub-Category of the Company	Private Limited Company Company Limited by Share Indian Non-Government Company

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:Not applicable

(All the Business Activities contributing 10% or more of the total Turnover of the Company shall be stated)

Sr.No.	Name and Description of Main Products / Services	NIC Code of the Product / Service	% to Total Turnover of the Company*
1.	Manufacturing of organic and inorganic chemical	20119	Nil

\*There is no percentage to total turnover as there were no activities during the year.

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associated	% of Share held	Applicable Section
1.	Balaji Amines Limited*  Address: Balaji Towers, No. 9/1A/1, AasaraChowk, Hotgi Road, Solapur - 413 224.	L24132MH1988PLC049387	Holding	55%	2(46)

#### Notes:

\*The Company has become subsidiary of the Balaji Amines Limited by virtue of investments of Balaji Amines Limited in the equity shares of the Company of the extent of 55%.





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i) Individual Shareholders holding Nominal Share Capital UptoRs. 1.00 lacs									
ii) Individual shareholders holding Nominal Share Capital in excess of Rs. 1.00 lacs									
c) Others(Specify)									
<b>Sub-Total (B) (2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)= (B) (1)+(B) (2)</b>	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp;ADRs - NIL</b>									
<b>Grand Total (A+B+C)</b>	-	5700040	5700040	100%	-	4000000	4000000	100%	-

## b) Shareholding of Promoters:

Sr.No.	Shareholder's Name	Shareholding at the beginning of the Year			Shareholding at the end of the Year			% change in shareholding during the year
		No of Shares	% of Total Shares of the Company	% of Shares Pledged / Encumbered to Total Shares	No of Shares	% of Total Shares of the Company	% of Shares Pledged / Encumbered to Total Shares	
1.	Ram ReddyDundurapu	1,19,000	2.08	-	9,79,000	2.45	-	0.37
2.	AndeSrinivas Reddy	4,20,500	7.37	-	36,00,000	9.00	-	1.63
3.	N.Rajeshwar Reddy	1,20,000	2.1	-	12,80,000	3.2	-	1.1
4.	G.Hemanth Reddy	68,000	1.19	-	4,03,959	1.01	-	0.18
5.	A Prathap Reddy	1,12,000	1.96	-	6,36,000	1.59	-	(0.37)
6	D.Tanmai Reddy	134500	2.36	-	531265	1.33	-	(1.03)
7	D.Vandana Reddy	25000	0.44	-	825000	2.06	-	1.62
8	G.Srujan Reddy	1500	0.03	-	4736	0.01	-	(0.02)
9	N.Eeshan Reddy	70000	1.23	-	1070000	2.68	-	1.45
10	N Deepti Reddy	90000	1.59	-	390000	0.98	-	(0.61)
11	A.Shakuntala Devi	10000	0.17	-	1440000	3.60	-	3.43
12	Annapura Devi	129540	2.27	-	900040	2.25	-	(0.02)
13	A.Madhumati Devi	100000	1.75	-	500000	1.25	-	(0.50)
14	G. Shritha Reddy	-	-	-	400000	1.00	-	1.00
15	G. Komalireddy	-	-	-	370000	0.93	-	0.93
16	G. Laasya Reddy	-	-	-	370000	0.93	-	0.93
17	BalajiSpeciality Fine Chem Products Private Limited	4300000	75.44	-	4300000	10.75	-	(64.69)
18	Balaji Amines Limited	-	-	-	2,20,00,000	55	-	55



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c) Change in Promoters' Shareholding: (Please specify, if there is no change)

Sr.No.	Shareholder's Name	Shareholding at the beginning of the Year		Datewise Increase / Decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	Shareholding at the end of the Year		% change in shareholding during the year
		No of Shares	% of Total Shares of the Company		No of Shares	% of Total Shares of the Company	
1.	Ram ReddyDundurapu	1,19,000	2.08	Increase in shareholding due to allotment of Shares on 8.5.2017	9,79,000	2.45	0.37
2.	AndeSrinivas Reddy	4,20,500	7.37	Increase in shareholding due to allotment of Shares on 8.5.2017	36,00,000	9.00	1.63
3.	N.Rajeshwar Reddy	1,20,000	2.1	Increase in shareholding due to allotment of Shares on 8.5.2017	12,80,000	3.2	1.1
4.	G.Hemanth Reddy	68,000	1.19	Increase in shareholding due to allotment of Shares on 8.5.2017	4,03,959	1.01	0.18
5.	A Prathap Reddy	1,12,000	1.96	Increase in shareholding due to allotment of Shares on 8.5.2017	6,36,000	1.59	(0.37)
6.	D.Tanmai Reddy	134500	2.36	Increase in shareholding due to allotment of Shares on 8.5.2017	531265	1.33	(1.03)
7.	D.Vandana Reddy	25000	0.44	Increase in shareholding due	825000	2.06	1.62



# Speciality Chemicals Private Limited

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				to allotment of Shares on 8.5.2017			
8	G.Srujan Reddy	1500	0.03	Increase in shareholding due to allotment of Shares on 8.5.2017	4736	0.01	(0.02)
9	N.Eeshan Reddy	70000	1.23	Increase in shareholding due to allotment of Shares on 8.5.2017	1070000	2.68	1.45
10	N Deepti Reddy	90000	1.59	Increase in shareholding due to allotment of Shares on 8.5.2017	390000	0.98	(0.61)
11	A.Shakuntala Devi	10000	0.17	Increase in shareholding due to allotment of Shares on 8.5.2017	1440000	3.60	3.43
12	Annapurna Devi	129540	2.27	Increase in shareholding due to allotment of Shares on 8.5.2017	900040	2.25	(0.02)
13	A.Madhumati Devi	100000	1.75	Increase in shareholding due to allotment of Shares on 8.5.2017	500000	1.25	(0.50)
14	G. Shritha Reddy	-	-	Increase in shareholding due to allotment of Shares on 8.5.2017	400000	1.00	1.00
15	G. Komalireddy	-	-	Increase in shareholding due to allotment of Shares on 8.5.2017	370000	0.93	0.93
16	G. Laasya Reddy	-	-	Increase in shareholding due to allotment of Shares on 8.5.2017	370000	0.93	0.93





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17	BalajiSpeciality Fine Chem Products Private Limited	4300000	75.44	Decrease in shareholding as a result of allotments done during the year	4300000	10.75	(64.69)
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Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
18.	At the beginning of the year	-	-		
	Datewise Increase / Decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	09/11/2017	3340000	3340000	8.35
		04/12/2017	500000	3840000	9.6
		09/12/2017	1660000	5500000	13.75
		03/01/2018	1660000	7160000	17.9
		16/01/2018	1660000	8820000	22.05
		31/01/2018	1660000	10480000	26.2
		07/12/2018	1660000	12140000	30.35
		16/03/2018	1660000	13800000	34.5
	27/03/2018	8200000	22000000	55	
	At the end of the year			2,20,00,000	55

d) Shareholding Pattern of top 10 Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs):  
NIL

e) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of Total shares of the Company	No of Shares	% of Total shares of the Company
1.	At the beginning of the year				
	Ram Reddy Dundurapu	1,19,000	8.50	9,79,000	2.45
	AndeSrinivas Reddy	4,50,500	7.38	36,00,000	9.00
	N.Rajeshwar Reddy	1,20,000	2.10	12,80,000	3.20
	G.Hemanth Reddy	68,000	1.19	4,03,959	1.01
	A.Prathap Reddy	1,12,000	1.96	6,36,000	1.59
	Kashinath R. Dhole	-	-	-	-
	RajendraTapadiya	-	-	-	-
	JimishaParthDawda (Company Secretary)	-	-	-	-



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## V. INDEBTEDNESS :

Indebtedness of the Company including interest outstanding / accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				0
i) Principal Amount	0			0
ii) Interest due but not paid	0	0		0
iii) Interest accrued but not due	0	0		0
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Change in Indebtedness during the financial year</b>				0
* Addition	36,51,94,049	4,50,00,000		41,01,94,049
* Reduction	0	4,50,00,000		4,50,00,000
<b>Net Change</b>	<b>36,51,94,049</b>	<b>0</b>		<b>36,51,94,049</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	36,39,20,076	0		36,39,20,076
ii) Interest due but not paid	12,73,973	0		12,73,973
iii) Interest accrued but not due	0	0		0
<b>Total (i+ii+iii)</b>	<b>36,51,94,049</b>	<b>0</b>	<b>0</b>	<b>36,51,94,049</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL : NIL

### A. REMUNERATION TO MANAGING DIRECTOR / WHOLE-TIME DIRECTORS AND/OR MANAGER :NIL

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Managing Director	Whole-Time Director	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites under Section 17(2) of the Income-tax			



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	Act, 1961				
	(c) Profits in lieu of Salary under-Section 17(3) of the Income-tax Act, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission on Profit				
5.	Others, please specify				
	<b>Total A</b>				
6.	Ceiling as per Act				

## B. Remuneration to other Directors - NIL

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
1.	Independent Directors				
	Fees for attending Board Committee Meetings				
	Commission				
	Others, please specify				
	<b>Total (1)</b>				
2.	Other Non-Executive Directors				
	Fees for attending Board Committee Meetings				
	Commission				
	Others, please specify				
	<b>Total (2)</b>				
	<b>Total = (1+2)</b>				
	<b>Total Managerial Remuneration (A+B)</b>				
	Overall Ceiling as per the Act				

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MANAGING DIRECTOR / MANAGER / WHOLE TIME DIRECTOR - NIL

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	Company Secretary	CFO	
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the income-tax Act, 1961				
	(b) Value of perquisites under Section 17(2) of the income-tax Act, 1961				
	(c) Profits in lieu of Salary under Section 17(3) of the income-tax Act, 1961				



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2.	Stock Option				
3.	Sweat Equity				
4.	Commission on Profit				
5.	Others, Please Specify				
	<b>Total</b>				

## VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES : NIL

Type	Section of the Companies Act 2013	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / Court]	Appeal made, if any (Give Details)
<b>A. Company</b>					
Penalty	NIL				
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty	NIL				
Punishment					
Compounding					
<b>C. Other Officers in Default</b>					
Penalty	NIL				
Punishment					
Compounding					

By order of the Board of Directors  
For BalajiSpeciality Chemicals Private Limited

Ram Reddy Dundurapu  
Director  
DIN: 00003864

A. Srinivas Reddy  
Director  
DIN: 03169721

Place :Solapur  
Date :9<sup>th</sup> May, 2018



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## Committees of the Board

### 1. Audit Committee

The Committee has Two Independent Directors, One Director who provides assistance to the Board of Directors in fulfilling its responsibilities.

The Audit Committee is empowered with functions according to the powers, scope and role as defined and prescribed under section 177 of the Companies Act,2013 and Rule 6 and 7 of Companies (Meetings of Board and its Powers) Rules,2014 and acts in terms of reference and directors if any given by the board from time to time.

The composition of the committee is given below:

Sr. No.	Name of the Director	Category
1	Mr. Kashinath R. Dhole	Chairman
2	Mr. Rajendra Tapadiya	Member
3	Mr. G. Hemanth Reddy	Member

The primary objective of the audit committee is to monitor and effectively supervise the Company's financial reporting in compliance with various policies, procedures and standard practices as in vogue in India.

### Terms of Reference

The terms of reference of the Audit Committee are as per section 177 of the Companies Act,2013 and Rule 6 and 7 of Companies (Meetings of Board and its Powers) Rules,2014 and includes such other functions as may be assigned to it by the Board from time to time.

#### i. Powers of the Audit Committee include:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### ii. Role of the Audit Committee includes:

- Oversight of Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of auditors and fixation of audit fee.
- Approval of payment to statutory auditors for any other services rendered by them.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - 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.
  - changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.



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- Significant adjustments made in the financial statements arising out of audit finding.
- Disclosure of any related party transactions.
- Review of draft Auditors Report, in particular qualifications / remarks / observations made by the Auditors on the financial statements.
- Management Discussion and Analysis of financial conditions and results of operations.
- Review of Statement of significant related party transactions submitted by the management.
- Review of management letters/letters of internal control weaknesses issued by the statutory auditors.
- Review of internal audit reports relating to internal control weaknesses.
- Review of appointment, removal and terms of remuneration of the Chief Internal Auditor.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Review of the financial statements of subsidiary Companies.
- Review and monitor the auditor's independence and performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- To look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors.
- 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 utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- 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.
- Discussion with internal auditors of any significant findings and follow up there on.
- 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.
- 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 concern.
- To review the functioning of the Whistle Blower Mechanism.
- 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.
- 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.



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### 2. Nomination and Remuneration Committee

The Nomination and Remuneration committee has been formed in compliance section 178 of the companies Act 2013 comprising of the 2Independent Directors and One Non Executive Director

#### Terms of Reference

The terms of reference of the Nomination and Remuneration Committee are as under:

- 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.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board diversity.
- 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 their appointment and removal.
- To recommend/review remuneration of Key Managerial Personnel based on their performance and defined assessment criteria.
- To decide on the elements of remuneration package of all the Key Managerial Personnel i.e. salary, benefits, bonus, stock options, pensions, etc.
- Recommendation of fee / compensation if any, to be paid to Non-Executive Directors, including Independent Directors of the Board.
- Payment / revision of remuneration payable to Managerial Personnel.
- 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.
- 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.
- Any other functions / powers / duties as may be entrusted by the Board from time to time.

The composition of the committee is given below:

Name	Designation in Committee	Category of Director
Mr. KashinathRevappa Dhole	Chairman	Independent, Non- Executive
Mr. G. Hemanth Reddy	Member	Non- Executive
Mr. RajendraKumarTapadiya	Member	Independent, Non-Executive

During the year, committee under the guidance of Board, also formulated the criteria and framework 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.



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## Nomination and Remuneration Policy

### 1. Introduction

BalajiSpeciality Chemicals Private Limited (BSCPL), believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. Towards this, BSCPL ensures constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively. BSCPL recognizes the importance of Independent Directors in achieving the effectiveness of the Board. BSCPL aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

BSCPL also recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Company has therefore formulated the remuneration policy for its Directors, Key Managerial Personnel and other employees keeping in view the following objectives:

- a. Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the Company successfully.
- b. Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- c. Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

### 1. Scope :

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company and also for recommending to the Board the remuneration of the Directors, Key Managerial Personnel and other employees of the Company.

### 2. Terms and References:

In this Policy, the following terms shall have the following meanings:

- 2.1 "Director" means a Director appointed to the Board of a Company.
- 2.2 "Nomination and Remuneration Committee" means the committee constituted by BSCPL's Board in accordance with the provisions of Section 178 of the Companies Act, 2013.
- 2.3 Independent Director" means a Director referred to in sub-section (6) of Section 149 of the Companies Act, 2013.
- 2.4 "Key Managerial Personnel" means
  - (i) the Chief Executive Officer or the Managing Director or the Manager;





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- (ii) the Company Secretary;
- (iii) the Whole-time Director;
- (iv) the Chief Financial Officer; and
- (v) such other officer as may be prescribed under the Companies Act, 2013

### 3. Selection of Directors and determining Directors' independence

#### 4.1 Qualifications and criteria

- 4.1.1 The Nomination and Remuneration (NR) Committee, and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that is relevant for the Company's global operations.
- 4.1.2 In evaluating the suitability of individual Board members, the NR Committee may take into account factors, such as:
  - General understanding of the Company's business dynamics, global business and social perspective; Educational and professional background Standing in the profession;
  - Personal and professional ethics, integrity and values;
  - Willingness to devote sufficient time and energy in carrying out their duties and responsibilities Effectively;
- 4.1.3 The proposed appointee shall also fulfill the following requirements:
  - Shall possess a Director Identification Number;
  - Shall not be disqualified under the Companies Act, 2013;
  - Shall give his written consent to act as a Director;
  - Shall Endeavour to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
  - Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;
  - Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
  - Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013.
- 4.1.4 The NR Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

#### 4.2 Criteria of Independence

- 4.2.1 The NR Committee shall assess the independence of Directors at the time of appointment /re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.
- 4.2.2 The criteria of independence, as laid down in Companies Act, 2013 is as below:



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An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director –

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
- (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- c. who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- d. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e. who, neither himself nor any of his relatives –
  - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of –
    - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company;  
or
    - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
  - (iii) holds together with his relatives two per cent or more of the total voting power of the company; or
  - (iv) is a Chief Executive or director, by whatever name called, of any non profit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or
  - (v) is a material supplier, service provider or customer or a lessor or lessee of the company.



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- f. shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.
- g. shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.
- h. who is not less than 21 years of age.

4.2.3 The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

#### **4.3 Other directorships / committee memberships**

4.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The NR Committee shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

4.3.2 A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies.

4.3.3 A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.

4.3.4 A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships. For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

#### **5. Remuneration to Executive Directors, Key Managerial Personnel, Non-Executive Directors and other employees**

5.1.1 The Board, on the recommendation of the Nomination and Remuneration (NR) Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.

5.1.2 The Board, on the recommendation of the NR Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.

5.1.3 The remuneration structure to the Executive Directors and Key Managerial Personnel shall include the following components:



## Speciality Chemicals Private Limited

(Formerly known as BALAJI BENZOCEM PRIVATE LIMITED)

CIN: U24299PN2010PTC137162

Registered office: 2<sup>ND</sup>FLOOR, BALAJI TOWERS NO. 9/1A/1, HOTGI ROAD, AASARA CHOWK,  
SOLAPUR - 413 224

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- (i) Basic Pay
- (ii) Perquisites and Allowances
- (iii) Commission (Applicable in case of Executive Directors)
- (iv) Retrial benefits
- (v) Annual Performance Bonus

5.1.4 The Annual Plan and Objectives for Executive Directors and Senior Executives shall be reviewed by the NR Committee and Annual Performance Bonus will be approved by the Committee based on the achievements against the Annual Plan and Objectives.

### 5.2 Remuneration to Non-Executive Directors

5.2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non- Executive Directors of the Company within the overall limits approved by the shareholders.

5.2.2 Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

### 5.3 Remuneration to other employees

5.3.1 Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.