

CORPORATE INFORMATION

BOARD OF DIRECTORS

SRI. M. R. KRISHNAIAH	Chairman
SRI. A. PRATHAP REDDY	Managing Director
SRI. N. RAJESHWAR REDDY	Whole Time Director
SRI. D. RAM REDDY	Whole Time Director
SRI. G. HEMANTH REDDY	Whole Time Director
SRI. T. NAVEENA CHANDRA	Independent Director
SRI. S. VISHNU RAO	Independent Director
SRI. S. V. PATTABHIRAMAN	Independent Director

MR. HEMISH PURUSHOTTAM Company Secretary

AUDIT COMMITTEE

SRI. T. NAVEENA CHANDRA, Chairman
SRI. M. R. KRISHNAIAH, Member
SRI. S. VISHNU RAO, Member
SRI. S. V. PATTABHI RAMAN, Member

SHARE HOLDERS'/INVESTORS' REDRESSAL COMMITTEE

SRI. T. NAVEENA CHANDRA, Chairman
SRI. S. VISHNU RAO, Member
SRI. A. PRATHAP REDDY, Member

RESEARCH & DEVELOPMENT COMMITTEE

SRI. A. PRATHAP REDDY, Chairman
SRI. N. RAJESHWAR REDDY, Member
SRI. G. HEMANTH REDDY, Member

REMUNERATION COMMITTEE

SRI. M. R. KRISHNAIAH, Chairman
SRI. T. NAVEENA CHANDRA, Member
SRI. S. VISHNU RAO, Member

REGISTERED OFFICE

BALAJI BHAVAN
 165/A RAILWAY LINES
 SOLAPUR
 MAHARASHTRA-413001

ADMINISTRATIVE OFFICE

III RD FLOOR
 KPR HOUSE, SARDAR PATEL ROAD
 SECUNDERABAD-500 003, A.P.

AUDITORS

M/S V. SRIDHAR & CO
 CHARTERED ACCOUNTANTS
 HYDERABAD

BANKERS

STATE BANK OF HYDERABAD
 STATE BANK OF INDIA
 ING VYSYA BANK
 BANK OF BARODA

SHARE TRANSFER AGENTS

SATHGURU MANAGEMENT
 CONSULTANTS PVT. LTD.
 PLOT NO. 15, HINDI NAGAR
 PUNJAGUTTA, HYDERABAD-500034

FACTORY

UNIT-I

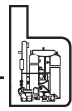
TAMMALWADI (VILLAGE)
 TULJAPUR (TQ)
 OSMANABAD DIST
 MAHARASHTRA-413623

UNIT-II

PLOT NO 4 & 5
 BESIDE APSEB SUB STATION-II
 IDA, BOLLARAM-502325
 MEDAK DIST. (A.P)

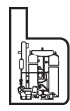
UNIT-III

PLOT NO. E-7 & E-8
 MIDC, CHINCHOLI
 SOLAPUR - 413 255, MAHARASHTRA



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NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY SECOND ANNUAL GENERAL MEETING OF THE MEMBERS OF BALAJI AMINES LIMITED will be held on Wednesday, 8th day of September 2010 at 11:30 a.m. at the Registered Office of the company at 165/A, Balaji Bhawan, Railway Lines, Solapur to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the financial year ended 31st March, 2010 and Balance Sheet as at that date together with the Directors Report and Auditors Report.
2. To declare Dividend on equity shares.
3. To appoint a Director in place of Sri T. Naveena Chandra, who retires by rotation, and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Sri D. Ram Reddy, who retires by rotation, and being eligible offers himself for re-appointment.
5. To appoint Auditors to hold the office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration

SPECIAL BUSINESS

6. Sub-division of Equity shares

To consider and if thought fit, to pass with or without modification(s) the following resolution as a **"Special Resolution"**:

"RESOLVED THAT pursuant to the provisions of Section 16, 94 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") or any other law for the time being in force (including any statutory modification or re-enactment thereof) and the provisions of the Articles of Association of the Company and subject to such approval(s), permission(s), sanction(s), confirmation(s), as may be required under any law for the time being in force, the consent of the Company be and is hereby accorded for sub-division of the existing equity shares of face value of Rs.10/- each of the Company into 5 equity shares of Rs 2 /- each.

RESOLVED FURTHER THAT the existing Clause V of the Memorandum of Association be and is hereby substituted in the manner as set out below:

'The Authorised Share Capital of the Company is Rs. 9,00,00,000 (Rupees Nine Crores) divided into 4,50,00,000 (Four Crores and Fifty Lakhs Only) Equity Shares of Rs. 2/- (Rupees Two) each. The share capital is in accordance with the provisions of the Companies Act, 1956'.

"RESOLVED FURTHER THAT pursuant to the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 (" the Act") or any other law for the time being in force (including any statutory modification or re-enactment thereof) the Article 3 of the Articles of Association of the Company be and is hereby amended and substituted as:

'The Authorised Share Capital of the Company is Rs. 9,00,00,000 (Rupees Nine Crores) divided into 4,50,00,000 (Four Crores and Fifty Lakhs Only) Equity Shares of Rs. 2/- (Rupees Two) each'.

RESOLVED FURTHER THAT the existing share certificate(s) in relation to the equity share capital held in physical form be cancelled and new share certificate(s) be issued in respect of the equity shares held by the members of the Company consequent upon the sub-division of the equity shares as aforesaid and in case of shares held in the dematerialized form, the sub-divided equity shares be credited to the respective demat accounts of the beneficiaries in lieu of the existing shares held by them.

RESOLVED FURTHER THAT the Board of directors of the Company ("the Board", which expression shall also include a duly constituted Committee thereof) be and is hereby authorised to do all such acts, deeds and things and to delegate all or any of the powers vested in the Board to any Director(s) or Officer(s) of the Company as may be required to give effect to the above resolution."

7. Reappointment of Mr. A. Prathap Reddy as Managing Director

To consider and if thought fit, to pass with or without modification(s) the following resolution as a **"Special Resolution"**:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 & 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Sri. A Prathap Reddy be and is hereby reappointed as Managing Director of the company for a period of 3 years with effect from 01.04.2010 on the following remuneration as approved by the remuneration committee.

I Salary Rs. 2,00,000/- p.m.

II Perquisites:

- a) House Rent Allowance : 25% of the Salary
- b) Leave Travel Concession: Reimbursement of Leave travel expenses for self & family once in 4 years.
- c) Premium on Personal Accident Insurance and premium on Mediclaim policy for self and family not exceeding Rs.25,000/- per annum. For the purpose of this category, 'Family' means spouse, dependent children and dependent parents.
- d) Use of Company Car with Driver.
- e) Mobile Phone Facilities.
- f) Telephone facilities at residence
- g) Provident fund: Company's contribution to provident fund not exceeding 20 % of basic salary.
- h) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- i) The Managing Director will be eligible for an annual increment of Rs. 10,000/- p.m. The first annual increment shall accrue to him on 1st April, 2011.
- 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: Upto 5% of the net profits of the year as computed according to the Companies Act, 1956.

III. Overall remuneration:

The overall remuneration (i.e. salary, perquisites and commission) in any one financial year shall not exceed 5% of the net profits or any such higher limits prescribed from time to time under section 198, 309 and other applicable provisions of the Companies Act, 1956 read with schedule XIII to the said Act, 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. Prathap 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 XIII to the Companies Act, 1956 from time to time.

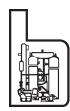
8. Reappointment of Mr. N Rajeshwar Reddy as Executive Director

To consider and if thought fit, to pass with or without modification(s) the following resolution as a "**Special Resolution**":

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 & 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Sri. N Rajeshwar Reddy be and is hereby reappointed as Executive Director of the company for a period of 3 years with effect from 01.04.2010 on the following remuneration as approved by the remuneration committee.

I Salary Rs. 1,50,000/- p.m.

II Perquisites:



- a) House Rent Allowance: 25% of the Salary.
- b) Leave Travel Concession: Reimbursement of Leave travel expenses for self & family once in 4 years.
- c) Premium on Personal Accident Insurance and premium on Mediclaim policy for self and family not exceeding Rs.25,000/- per annum. For the purpose of this category, 'Family' means spouse, dependent children and dependent parents.
- d) Use of Company Car with Driver.
- e) Mobile Phone Facilities.
- f) Telephone facilities at residence
- g) Provident fund: Company's contribution to provident fund not exceeding 20% of salary.
- h) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- i) The Executive Director will be eligible for an annual increment of Rs. 10,000/- p.m. The first annual increment shall accrue to him on 1st April, 2011.
- j) The Executive 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: Upto 2% of the net profits of the year computed according to the Companies Act, 1956.

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 198, 309 and other applicable provisions of the Companies Act, 1956 read with schedule XIII to the said Act, 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 XIII to the Companies Act, 1956 from time to time.

9. Reappointment of Mr. D Ram Reddy as Director - Commercial

To consider and if thought fit, to pass with or without modification(s) the following resolution as a **"Special Resolution"**:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 & 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Sri. D Ram Reddy be and is hereby reappointed as Whole Time Director and designated as Director - Commercial, of the company for a period of 3 years with effect from 01.04.2010 on the following remuneration as approved by the remuneration committee.

I Salary Rs. 1,50,000/- p.m.

II Perquisites:

- a) House Rent Allowance : 25% of the Salary
- b) Leave Travel Concession: Reimbursement of Leave travel expenses for self and family once in 4 years
- c) Premium on Personal Accident Insurance and Mediclaim premium for self and family not exceeding Rs.25,000/- per annum. For the purpose of this category 'Family' means spouse, dependent children and dependent parents.

- d) Use of Company's Car with Driver.
- e) Mobile Phone Facilities.
- f) Telephone facility at residence
- g) Provident fund: Company's contribution to provident fund not exceeding 20% of salary.
- h) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- i) The Commercial Director will be eligible for an annual increment of Rs. 10,000/- p.m. The first annual increment shall accrue to him on 1st April, 2011.
- j) The Commercial Director shall be entitled to be reimbursed in respect of all expenses incurred by him (including travelling, entertainment etc.,) for and on behalf of the company during the course of business.
- k) Club Fees: Fees of Clubs subject to a maximum of one club.
- l) Commission on Profits: Upto 2 % of the net profits of the year computed according to the Companies Act, 1956.

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 198, 309 and other applicable provisions of the Companies Act, 1956 read with schedule XIII to the said Act, as may for the time being, be in force and any amendments thereto. In case of any doubts/discrepancy/clarification that may arise with respect to payment of remuneration the same shall be determined and decided by the Remuneration Committee of Directors. Further, within the overall remuneration, the individual components may be changed as desired by Mr. D Ram Reddy and accepted by the Remuneration Committee.

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 XIII to the Companies Act, 1956 from time to time.

10. Reappointment Mr. G. Hemanth Reddy as Whole Time Director

To consider and if thought fit, to pass with or without modification(s) the following resolution as a "**Special Resolution**":

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 & 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Mr. G. Hemanth Reddy be and is hereby reappointed as a Whole Time Director of the company for a period of 3 years with effect from 01.04.2010 on the following remuneration as approved by the remuneration committee.

I Salary Rs. 1,50,000/- p.m.

II Perquisites:

- a) House Rent Allowance: 25% of the Salary.
- b) Leave Travel Concession: Reimbursement of Leave travel expenses for self and Family once in 4 years.
- c) Premium on personal Accident Insurance and Medclaim premium for self and family not exceeding Rs.25,000/- per annum. For the purpose of this category 'Family' means spouse, dependent children and dependent parents.
- d) Use of Company's Car with Driver.
- e) Mobile Phone Facilities.
- f) Telephone facility at residence
- g) Provident fund: Company's contribution to provident fund not exceeding 20% of 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 annual increment of Rs. 10,000/- p.m. The first annual increment shall accrue to him on 1st April, 2011.
- j) The Whole Time Director shall be entitled to be reimbursed in respect of all expenses incurred by him (including travelling, entertainment etc.,) for and on behalf of the company during the course of business.
- k) Club Fees: Fees of Clubs subject to a maximum of one club.
- l) Commission on Profits: Upto 1% of the net profits of the year computed according to the Companies Act, 1956.

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 198, 309 and other applicable provisions of the Companies Act, 1956 read with schedule XIII to the said Act, 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 XIII to the Companies Act, 1956 from time to time.

11. Increase in borrowing powers pursuant to section 293 (1)(d) of the Companies Act, 1956 upto Rs. 500 crore.

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

"RESOLVED THAT in supersession of the resolution passed at the Sixteenth Annual General Meeting of the Shareholders of the Company held on 29th September, 2004, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company pursuant to Section 293(1)(d) and other applicable provisions of the Companies Act, 1956, for borrowing from time to time, any sum or sums of money for the purposes of the Company upon such terms and conditions and with or without security as the Board of Directors may in its discretion think fit, not withstanding, that the money or monies to be borrowed by the Company (apart from the Temporary loans obtained or to be obtained from time to time from the Company's Bankers in the ordinary course of business) together with the money already borrowed, may exceed the aggregate of the Paid-up Share Capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose(s), provided however that the money or monies to be borrowed by the Company together with the money already borrowed shall not, at any time exceed Rs.500 Crores (Rupees Five Hundred Crores only)".

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

Secunderabad
29 July, 2010

Hemish Purushottam
Company Secretary

NOTES:

- a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/ herself and a proxy need not be a member of the company. Proxies, in order to be valid and effective, must be delivered at the registered office of the company not later than 48 hours before the commencement of the meeting.
- b) The notice of the Annual General Meeting will be sent to those members whose names appear on the register of members as on Friday, July 30, 2010.
- c) The register of members and share transfer books of the company will remain closed from 01.09.2010 to 08.09.2010 (both days inclusive). The dividend if declared will be paid to the Members, whose names appear in the register of members as on 08.09.2010
- d)
 - (i) Members holding shares in physical form are requested to immediately notify change in their address , if any, to the Registrar and Transfer Agents of the company namely M/s Sathguru Management Consultants Private Limited, Plot No 15, Hindi Nagar, Punjagutta, Hyderabad-500034 quoting their Folio Numbers.
 - (ii) In order to avoid fraudulent encashment of dividend warrants, Members holding shares in physical forms are requested to send to the Registrar and Transfer Agents of the company, on or before 31st August, 2010, a Bank Mandate (providing details of name and address of banker, branch, PIN code and particulars of bank accounts) or changes thereon, if not provided earlier, under the signature of the sole / first holders along with the folio numbers. This information will be printed on the dividend warrants. You may avail of the Electronic Clearing Service (ECS) mandate facilities provided by the company.
- e) Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their bank account details. ECS mandates, nominations, power of attorney, change of address/ name etc. to their depository participant only and not to the company or its Registrar and Transfer Agent. The said nominations will be automatically reflected in the Company's records.
- f) Shareholders who have not yet encashed their dividend warrant for the year 2002-03 and subsequent years may approach the company for re-validation, issue of duplicate warrants etc. Dividend remaining unclaimed for over Seven Years will be transfer to Investor Education and Protection Fund as per Law.
- g) Consequent upon the introduction of Section 109 A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their request in Form No. 2B in duplicate to the company.
- h) Pursuant to the requirements on the Corporate Governance under the listing agreement entered into with stock exchanges, the information about the Directors proposed to be appointed /re- appointed is given in the annexure to the notice.
- i) 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.
- j) All the documents referred to in the Notice and explanatory statement will be available to the members at the Registered of the company between 10.30 A.M to 12.30 P.M on all working days from the date hereof upto the date of the Meeting.
- k) Explanatory Statement pursuant to the provisions of section 173(2) of the Companies Act, 1956, is annexed herewith.

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

Secunderabad
29 July, 2010

Hemish Purushottam
Company Secretary

EXPLANATORY STATEMENT

Explanatory Statement under section 173 (2) of the Companies Act, 1956

Item No 06

The equity shares of the Company are listed and are actively traded on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE). The market price of the shares of the Company has witnessed significant growth over the past few years and are presently traded around Rs. 170/-. In order to improve the liquidity of the Company's shares in the stock market and to make it affordable to the small investors, the Board of directors of the Company at their meeting held on 29th July, 2010, considered it desirable to sub-divide the nominal value of the equity share capital of the Company from Rs. 10/- per share to Rs. 2/- per share as proposed in the resolution.

The aforesaid sub-division would require substitution of existing Capital Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Company by Clause V and Article 3 detailed in the resolution no. 6.

Accordingly, the Board recommends the resolutions as set out in item no. 06 for approval from shareholders. Upon approval of the shareholders for sub-division of shares, in case the shares are held in physical, the old share certificates of face value of Rs. 10/- each will be cancelled on the record date and the new share certificates will be sent to the shareholders. In case the shares are in dematerialized form, the sub-divided shares will be directly credited to the shareholders demat account on the record date in lieu of their existing shares.

The Directors of the Company are deemed to be concerned or interested in the resolution to the extent of shares held by them in the Company.

Item No. 07 to 10

At the 17th Annual General Meeting of the Company held on 29th September, 2005, the members had approved the re-appointment and terms of remuneration of Mr. A. Prathap Reddy as Managing Director, Mr. N. Rajeshwar Reddy as Executive Director, Mr. D. Ram Reddy as Director-Commercial & Mr. G. Hemanth Reddy as Whole time director for a period of 5 years w.e.f. from 1st April, 2005. The Board of Directors at its Meeting held on 29th April, 2010 has re-appointed Mr. A. Prathap Reddy as Managing Director, Mr. N. Rajeshwar Reddy as Executive Director, Mr. D. Ram Reddy as Director-Commercial & Mr. G. Hemanth Reddy as Whole time director for a period of three years w.e.f from 1st April, 2010, subject to the approval of the Members at the remuneration stated in the resolution no. 7,8,9 &10. The said remuneration was approved by the Remuneration Committee of the Company at their meeting held on 29th April, 2010.

Brief Profile of Directors being reappointed:

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 Mr. 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. Mr. A. Prathap Reddy received the 2010 IMM Eminent Organisation Award for excellence at the 37th World Marketing Congress hosted by the Institute of Marketing and Management, New Delhi.

Mr. N. Rajeshwar Reddy is a commerce graduate having more than three 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 (Pvt.) Ltd as Executive director and successfully implemented the project before joining Balaji Amines Ltd 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. He is also responsible for perfecting the processes of various products to achieve optimization of cost of utilities etc.,

Mr. D. Ram Reddy is a graduate having more than 29 years of experience spread across various businesses. He joined Bharat Cement Pipe Industries, Hyderabad as Manager in 1980. In 1985, he joined Balaji Cement Products Pvt Ltd and successfully managed the Company before joining Balaji Amines Ltd., 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 is instrumental in achieving first of its kind large scale supply contract arrangement with world's leading company in speciality chemicals.

Mr. G. Hemanth Reddy is a post graduate in management with Finance and Marketing as specialisation having more than 20 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 of the Company.

The appointment and remuneration payable to Mr. A. Prathap Reddy as Managing Director, Mr. N. Rajeshwar Reddy as Executive Director, Mr. D. Ram Reddy as Director-commercial and Mr. G. Hemanth Reddy as Whole Time Director requires the approval of the shareholders in general meeting by way of Special Resolution in terms of provisions of Paragraph 1(B) (iii) of Section II of Part II and Part III of Schedule XIII of the Companies Act, 1956.

Keeping in view the experience and expertise of these persons, the Board commends the Resolutions at Item nos. 07 to 10 for approval by the Members.

A statement containing the information required under proviso (iv) to Section-II(B) of Schedule XIII to the Companies Act, 1956 is annexed for the information of the members.

Mr. A. Prathap Reddy, Mr. N. Rajeshwar Reddy, Mr. D Ram Reddy and Mr. G. Hemanth Reddy, Directors of the Company are concerned or interested in this resolution. None of the other directors are concerned or interested in this resolution, except to the extent of equity shares held by them.

Items No. 11

Members of the Company at the 16th Annual General Meeting held on 29th September, 2004 have accorded their consent under Section 293(1)(d) of the Companies Act, 1956 to the Board of Directors to borrow monies apart from the temporary loans in aggregate upto Rs. 200 Crores.

As the Company is expanding its operations the company would require to borrow funds from time to time by way of loans or otherwise beyond the existing limit of Rs. 200.00 Crores, which will be insufficient. Your directors feel that an amount Rs. 500.00 Crores will be required to be taken from Banks / Financial Institutions, which exceeds the aggregate of the paid up capital of the company and its free reserves.

Pursuant to the provisions of Section 293 (1) (d) of the Companies Act, 1956, the company cannot borrow an amount in excess of the aggregate of the paid up share capital of the company and its free reserves, i.e., reserves not set apart for any specific purpose without the consent of the members in their general meeting.

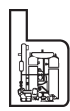
Hence the resolution is commended for your approval

The Directors are interested, in the above resolution, to the extent of share capital held by them.

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

Secunderabad
29 July, 2010

Hemish Purushottam
Company Secretary



STATEMENT PURSUANT TO CLAUSE (1) (B) (IV) OF SECTION II OF PART II OF SCHEDULE XIII, OF THE COMPANIES ACT, 1956:

I GENERAL INFORMATION

(1) Nature of Industry:

The Company operates in the Speciality Chemicals, aliphatic amines and their derivatives which are mainly used in API's, Agrochemicals, Paint industry, Refineries and host of other industries.

(2) Date of commencement of commercial production:

1st March, 1991

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not applicable.

(4) Financial performance during last three years: (Rs. In Crore)

Particulars	2007-08	2008-09	2009-10
GROSS INCOME	239.68	273.58	277.14
PBDIT	30.90	39.91	47.74
PBT	18.66	24.90	31.56
PAT	13.26	15.32	20.65
CASH PROFIT	17.66	20.14	27.49
BOOK VALUE (Rs.)	110.35	141.48	179.08
EPS (Rs.)	20.46*	23.65	31.87

* After Bonus issue share capital doubled to Rs. 6.48 crore from Rs. 3.24 crore

(5) Export performance and net foreign exchange earnings:

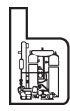
(Rs. In Thousands)

Export of the year ended 31st March, 2010	6,12,664
Income/Expenditure in Foreign Currency for the year ended 31.03.2010 is as follows:	
Income:	
Sales/ Income from Operations	6,12,664
Expenditure	
Raw Materials	5,74,280
Capital Goods	6,237
Overseas Travel	2,397
Consultancy Charges	2,174
Others	3,369
Total	5,88,457

(6) Foreign investments or collaborations, if any: The Company has no Foreign Direct Investment or Collaborations in the Company so far.

II. INFORMATION ABOUT THE APPOINTEES:

Sl. No	Information Of The Appointee	A. Prathap Reddy	N. Rajeshwar Reddy	D. Ram Reddy	G. Hemanth Reddy
1	Background of the Appointee	He is a Civil Engineer by Qualification. He has founded Balaji Amines Ltd. and has been instrumental in developing the company from a single product company with a turnover of one crore during the first year to more than 25 products and a turnover of Rs. 277 crores for the year 2010	He holds a Bachelor's degree in Commerce. He is one of the founder promoter and has been handling the day to day operation of the plants and expansion projects of Company	He holds a Bachelor's degree in Commerce. He is one of the founder promoter and has been handling the procurements, marketing and logistic activities of the Company	Sri G. Hemanth Reddy is post graduate in management. He is one of the founder promoter and is responsible of finance of the Company
2	Past Remuneration (Salary, Perks & Commission) Rs / PA. (Year 2009-10)	Rs. 1,73,33,623/-	Rs. 69,33,449/-	Rs. 69,33,449/-	Rs. 34,66,725/-
3	Recognition and Awards	2010 IMM Eminent Organisation Award for excellence at the 37th World Marketing Congress.	—	—	—
4	Job Profile and suitability	Managing Director. He will exercise the management control over the whole of the affairs of the Company. Providing leadership and strategic guidance to the Company	Executive Director. He is responsible for the day to day operations at the plants in Solapur	Commercial Director. He is responsible for the procurement, marketing and logistics activities of the Company	Whole Time Director. He is responsible for finance, operations and administration of Unit-II of the Company.
5	Remuneration Proposed	As detailed in Resolution no. 07	As detailed in Resolution no. 08	As detailed in Resolution no. 09	As detailed in Resolution no. 10
6	Comparative remuneration profile with respect to industry, size of the Company, Profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	Considering the general industry and the specific company profile, the proposed remuneration to the appointee is in line with the remuneration comparable to the size of the Company and also that of the industry and of the position and person.	Considering the general industry and the specific company profile, the proposed remuneration to the appointee is in line with the remuneration comparable to the size of the Company and also that of the industry and of the position and person.	Considering the general industry and the specific company profile, the proposed remuneration to the appointee is in line with the remuneration comparable to the size of the Company and also that of the industry and of the position and person.	Considering the general industry and the specific company profile, the proposed remuneration to the appointee is in line with the remuneration comparable to the size of the Company and also that of the industry and of the position and person.



Sl. No	Information Of The Appointee	A. Prathap Reddy	N. Rajeshwar Reddy	D. Ram Reddy	G. Hemanth Reddy
7	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	<p>1. Has no pecuniary relationship directly or indirectly with the Company except to the extent of his remuneration and shareholding in the Company.</p> <p>2. He is father in law of G. Hemanth Reddy</p>	<p>1. Has no pecuniary relationship directly or indirectly with the Company except to the extent of his remuneration and shareholding in the Company.</p> <p>2. He is brother in law of G. Hemanth Reddy</p>	<p>1. Has no pecuniary relationship directly or indirectly with the Company except to the extent of his remuneration and shareholding in the Company.</p> <p>2. He is not related to any managerial personnel.</p>	<p>1. Has no pecuniary relationship directly or indirectly with the Company except to the extent of his remuneration and shareholding in the Company.</p> <p>2. He is son in law to A. Prathap Reddy and brother in Law to N. Rajeshwar Reddy</p>

III. OTHER INFORMATION:

(1) Reason of Loss or inadequate profits:

The Company has achieved profits from its operations during the year and it is expected to earn profits in the future years also. The Company is seeking the permission of the shareholders for paying minimum remuneration during their tenure of appointment, in accordance with the provisions as laid down in Part II in Section II to Schedule XIII of the Companies Act, 1956, in the event the Company has no profit or inadequate profits in any such financial year

(2) Steps taken or proposed to be taken for improvement:

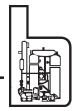
The management is continuously striving to improve the performance of the Company and has taken steps to expand and diversify the operations, which is evident from the performance of the company.

(3) Expected increase in productivity and profits in measurable terms:

The investments in R&D activities and continuous up gradation of the plants along with expansion and diversification, the company envisages to grow at compounded average growth rate of about 20-25% both in topline and bottom line.

IV. DISCLOSURES:

1. The remuneration packages of the managerial persons are being informed regularly to the Shareholders in the Corporate Governance section forming part of the Annual Report.
2. The remuneration package for the financial year 2009-10 of all the directors has been disclosed under the Corporate Governance forming part of the Annual Report
3. The proposed remuneration package is as detailed in the resolution.



ADDITIONAL INFORMATION

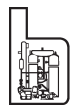
(pursuant to Clause 49 IV (G) of the Listing Agreement-
Information of directors proposed to be appointed/ re-appointed)

Name of the Director	T. Naveena Chandra	D. Ram Reddy	A. Prathap Reddy	G. Hemanth Reddy	N. Rajeshwar Reddy
Date of Birth	28th November, 1960	20th October, 1961	16th September, 1951	19th June, 1966	02nd February, 1955
Date of appointment on the Board	24th June, 1996	15th January, 1989	06th November, 1988	28th July, 2005	16th November, 1988
Qualification, Experience & Expertise	He holds a Bachelor's degree in Commerce and is a Fellow Member of the Institute of Chartered Accountant of India. He has over 25 years of rich and varied experience in the fields of Finance, Taxation, Projects, Capital Markets.	He holds a Bachelor's degree in Commerce and has over 30 years of experience across variety of industries.	He is a Civil Engineer by Qualification. He has over 40 year of experience across variety of Industries.	Sri G. Hemanth Reddy is post graduate in management and has over 20 years of experience in various industries. He takes care of finance, ERP and administration. He has immense experience in operations, finance and administration	He holds a Bachelor's degree in Commerce & has over 30 years of experience across variety of industries.
Directorship in other public companies (excluding foreign companies and Section 25 Companies)	Saaketa Consultants Limited Bhagyanagar Wood Plast Limited.	Nil	Balaji Greentech Products Limited. Bhagyanagar Chemicals Limited	Balaji Greentech Products Limited. Bhagyanagar Chemicals Limited	Nil
Shareholding	10	93,377	11,07,610	1,41,004	1,18,830

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

Secunderabad
29 July, 2010

Hemish Purushottam
Company Secretary



DIRECTORS REPORT

Dear Shareholders

Your Directors have pleasure in presenting the 22nd Annual Report of the company with Audited Statement of Accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS

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

(Rupees in Lakhs)

S.No.	PARTICULARS	Current Year 2009-2010	Previous Year 2008-2009
1.	Gross Sales	27713.98	27358.52
2.	Less: Excise Duty	1524.40	2189.84
3.	Sales	26189.58	25168.68
4.	Other Income	145.63	287.07
5.	Expenditure	23487.12	23011.75
6.	Profit before interest, depreciation and tax	4774.24	3990.55
7.	Depreciation	683.60	481.56
8.	Profit before interest & tax	4706.44	3508.98
9.	Interest and Finance Charges	970.59	1018.60
10.	Prior Period items	36.40	0.00
11.	Profit before tax	3156.45	2490.38
12.	Provision for Income tax (including FBT)	530.00	325.00
13.	Deferred tax	561.50	632.72
14.	Profit after tax	2064.95	1532.66
15.	Dividend for the year (including corporate dividend tax)	189.54	147.95
16.	Transfer to General Reserve	210.00	120.00
17.	Balance carried forward to Balance Sheet	1665.41	1264.70
18.	Reserves(Excluding Revaluation reserves)	8271.96	6396.55
19.	EPS (Rs)	31.87	23.65

OPERATING RESULTS AND BUSINESS

During the year, your company has achieved a Gross turnover of Rs. 277.14 Crore as compared to the turnover of Rs. 273.58 Crore achieved during the previous year. This growth was achieved despite Global slowdown and consequent pressure on prices and volumes. However, even with a marginal increase in turnover, your company registered an impressive year on year growth of 34.70% in Profit After Tax from Rs.15.33 Crore in the previous year to Rs. 20.65 Crore in the Current year.

Your Company's consistent performance can be primarily attributed to increase in plant efficiencies, continuous power supply through captive co-generation power plant and long term purchase contracts entered with suppliers of raw materials which has optimised the consumption co-efficients of materials compared to previous year and stringent cost control measures implemented by the management across the plants.

Exports: Though the Gross turnover increased marginally, the net exports have increased by 14.56% over the previous year figures of Rs. 58.20 Crore to Rs. 67.17 Crore.

DIVIDEND

Based on company's performance and track record of declaring dividends to shareholders, the Directors are pleased to recommend for approval of the members a dividend of Rs 2.50/- per share (25% on paid up value of Rs 10/- per share). The total cash outflow on account of dividends payable including dividend distribution tax payable is Rs. 189.54 lacs.

TRANSFER TO RESERVES

The Company proposes to transfer Rs. 210 lacs to the General Reserve out of the amount available for appropriations and an amount of Rs. 1665.41 lacs is proposed to be retained in the Profit and Loss account.

RESEARCH & DEVELOPMENT

The R&D initiatives have yielded results during the year, and have been one of the major contributors in making the company stand by Global majors in Specialty Chemicals, among International Specialty Chemicals business.

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

- Identification of New products and latest technologies for the same.
- Continuous development of process parameters to optimize energy, utilities and raw materials consumption.
- Backward and forward integration of products.

During the year the company has invested in R& D activities as under:

R & D Capital Expenditure - Rs. 622.07 lacs

R & D Revenue Expenditure - Rs. 277.70 lacs

EXPANSION / DIVERSIFICATION

The company with a view to expand and diversify into new area of Business, envisaged construction, development and leasing out properties for hotel and other related business has amended its Other Objects Clause in the Memorandum of Association to include these objects and passed a special resolution for the commencement of these businesses. The company plans to utilize the available vacant lands in upcoming areas of Solapur for these purposes. The company has appointed Mahajan & Aibara, experienced consultants in Hotel and Restaurant Industry for giving feasibility report for the usage of existing land, who have submitted a report after thorough study. Accordingly, your Company has proposed to setup a Hotel with 100 rooms and banquet facilities with an investment of Rs. 40 Crore. The project will be completed over a period of 2 years from now.

During the year, the following plants have come into operation:

- 2.5 Mw Co- Generation Power Plant at Tamalwadi, Solapur has been commissioned in July, 2009
- PVP Plant at Chincholi, Solapur has started producing various grades and the mandatory approvals are in final stages.

FIXED DEPOSITS

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

DIRECTORS

In terms of Article 134 of the Articles of Association of the company Sri T. Naveena Chandra and Sri D. Ram Reddy retire by rotation and being eligible, offer themselves for reappointment at the ensuing Annual General Meeting.

The Board of Directors at its Meeting held on 29th April, 2010 has re-appointed Mr. A. Prathap Reddy as Managing Director, Mr. N. Rajeshwar Reddy as Executive Director, Mr. D. Ram Reddy as Director-Commercial & Mr. G. Hemanth

Reddy as Whole time director for a period of three years w.e.f from 1st April, 2010, subject to the approval of the Members. The said resolution forms part of the notice of the Annual General Meeting

Their profile describing the expertise in specific functional area and other directorships held by them as stipulated in clause 49 of the listing agreement is provided in the notice of AGM.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statement of your company with that of its wholly owned subsidiary Bhagyanagar Chemicals limited is provided in the Annual Report.

AUDITORS

M/s V.Sridhar & Co, Chartered Accountants, Hyderabad, Statutory Auditors of the company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The company has received letter from the Auditors to the effect that, their appointment, if made, would be within the prescribed limits under section 224 (1B) of the Companies Act, 1956 and that they are not disqualified for such re appointment within the meaning of section 226 of the said Act.

PARTICULARS OF EMPLOYEES

There are no employees whose particulars are required to be furnished under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of employees) Rules, 1975, and as amended from time to time as remuneration of none of the employees is in excess of Rs.2,00,000/- per month, if employed for the part of year or Rs.24,00,000/- per annum during the financial year 2009-10. The remuneration details of the Whole Time Director's have been disclosed in the Corporate Governance Report which forms part of Directors Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of Annual Accounts for the financial year ended 31st March, 2010, the applicable accounting standards have been followed along with the proper explanation relating to material departures, if any;
- (ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss account of the company for that period;
- (iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities
- (iv) the directors have prepared the annual accounts on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

CORPORATE GOVERNANCE

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

INDUSTRIAL RELATIONS

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

SOCIAL RESPONSIBILITY

The Company has undertaken various community projects in and around solapur/ osmanabad district areas through Balaji Foundation & Research Centre. The Company has undertaken the following activities during the year.

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

ACKNOWLEDGMENTS

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

For and on behalf of the Board of Directors

Secunderabad
29 July, 2010

M. R. KRISHNAIAH
Chairman

ANNEXURE TO THE DIRECTOR'S REPORT

PARTICULARS REQUIRED UNDER

THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

A. CONSERVATION OF ENERGY

(a) Energy Conservation Measures taken

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

The main areas of conservation of energy are:

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

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

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

- a. Investment in Co-generation Power Plant
- b. Heat / Steam recovery system
- c. Optimising the usage of storage/ pumping system.
- d. Pollution control/ waste water recovery system.

(c) Impact of the above measures

PLANT-I

1. **Vent absorber packing replaced by Paul rings:**
 - a. Loss of MMA reduced due to more absorption.
 - b. Frequent cleaning of MMA column reboiler reduced.
 - c. Coefficient of MMA reduced from 0.335 to 0.325
2. **Vent absorber cooler replaced by more HTA exchanger:**
 - a. Loss of MMA through vent absorber reduced due to more cooling.

PLANT-II

1. **Separate feed arrangement for feeding MEA+DEA mix:**
 - a. It has become easy to change the feed composition.
 - b. It has become easy to reduce N/C ratio to produce more TEA

PLANT-III

1. **Mechanical seal fixed to Reactor "B" in place of gland:**
 - a. Loss of DMA reduced which was through gland.

PLANT-VIII:

1. **New extra solution making mass flow installed:**

Benefits:

 - a. Solution preparation rate has increased from 50 mtpd to 150 mtpd

PLANT-X:

1. **New preheater fixed to preheat DEG at E105:**

Benefits:

 - a. Steam consumption reduced at E105.

2. **Shell & tube preheater removed & double pipe preheater fixed at caustic scrubber circulation:**
Benefits:

a) Frequent shut down due to frequent leakage of preheater stopped.

(d) **Total Energy Consumption and energy Consumption per unit of production -**
Form 'A' attached hereto

B. TECHNOLOGY ABSORPTION (ENCLOSED IN FORM B)

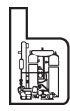
Efforts made in technology absorption - Form B attached hereto

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

As the global market is evidencing the recessionary trend, your company has made sustained efforts in exploring, export markets. The particulars are as under:

10. Foreign exchange earnings and outgo

CURRENT YEAR					
Earnings	US Dollars	4585878.12	equivalent to INR	21,65,35,880	in Exports
	Euro	5618031.76	equivalent to INR	37,58,99,275	in Exports
	GBP	271769.36	equivalent to INR	2,02,29,201	in Exports
PREVIOUS YEAR					
	US Dollars	3498876.75	equivalent to INR	15,42,60,740	in Exports
	Euro	5685380.90	equivalent to INR	36,87,69,946	in Exports
	GBP	132800.00	equivalent to INR	1,01,11,520	in Exports
CURRENT YEAR					
Outgo	US Dollars	15094.13	equivalent to INR	7,24,401	For commission toward sales promotion
	EURO	7988.00	equivalent to INR	5,38,242	
	US Dollars	229.00	equivalent to INR	10,552	For Regn. & Renewal exp.
	EURO	9000.00	equivalent to INR	5,98,680	For Regn. & Renewal exp.
	US Dollars	44393.00	equivalent to INR	21,25,637	For traveling expenses
	EURO	3900.00	equivalent to INR	2,71,053	For traveling expenses
	EURO	22969.04	equivalent to INR	14,97,306	Towards Exhibition charges
	US Dollors	47700.00	equivalent to INR	21,73,860	For consultancy Charges
	US Dollars	135000.00	equivalent to INR	62,37,000	For Import of Machinery
	US Dollars	11817653.17	equivalent to INR	56,61,56,111	for import of Raw Materials
	EURO	116750.00	equivalent to INR	81,23,465	
PREVIOUS YEAR					
	US Dollars	9356.74	equivalent to INR	4,06,320	For commission toward sales promotion
	US Dollars	1979.00	equivalent to INR	88,612	For Regn. & Renewal exp.
	EURO	11625.00	equivalent to INR	7,77,690	For Regn. & Renewal exp.
	US Dollars	40891.79	equivalent to INR	21,61,130	For traveling expenses
	EURO	2245.91	equivalent to INR	1,39,348	For traveling expenses
	Yenn	5640.20	equivalent to INR	33,195	For traveling expenses
	EURO	33496.62	equivalent to INR	21,69,205	Towards Exhibition charges
	US Dollors	76500.00	equivalent to INR	32,68,318	For consultancy
	US Dollars	787107.00	equivalent to INR	3,31,21,587	For Import of Machinery
	US Dollars	18334591.28	equivalent to INR	83,63,84,214	for import of Raw Materials



FORM A

Form of Disclosure of particulars with respect to Consumption of Energy

A. POWER AND FUEL CONSUMPTION

Sl.No.	Particulars	Current Year	Previous Year
1.	Electricity		
a)	Purchased Units	5373583	8955875
	Total Amount Rupees	25324917	36572439
	Average rate per unit Rupees	4.71	4.08
b)	Own Generation		
I.	Through Diesel Generator		
II.	Units	715693	437326
	Total amount Rupees	8526181	6368848
	Average cost per unit Rupees	11.91	14.56
III.	Through Steam turbine		
IV.	Units	11105936	—
	Total amount rupees	26752886	—
	Average rate per unit	2.41	—
2.	Coal		
I.	Coaking Coal for Boiler (MT)	63505.741	39938.700
	Total Cost Rupees	244324263	177010816
	Average rate per MT	3847.28	4432.06
3.	Furnace Oil	—	—
4.	Other (Agricultural waste)		
I.	Bagassee		
	Quantity (MT)	—	—
	Total Cost Rupees	—	—
	Average rate per MT	—	—
II.	Fire wood		
	Quantity (MT)	176.94	—
	Total Cost Rupees	352815	—
	Average rate per MT	1993.98	—

B. CONSUMPTION PER UNIT OF PRODUCTION

Sl.No.	Particulars	Current Year	Previous Year
1.	Electricity		
I.	Total Production (MT)		
a)	Aliphatic Amines and Derivatives	43809.228	38874.268
II.	Electricity (KWH)	392.50	241.63
III.	Furnace Oil (Liters)		—

FORM B

Form of Disclosure of Particulars with respect to Technology Absorption

A. RESEARCH AND DEVELOPMENT

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

- Plant design & development of globally competitive process for manufacture of PVP for the first time in India.
- Process fine tuning in R & D plant for Morpholine and NMP, which enhance the plant capacity.

2. Benefits Derived

- Successfully produced pharma grade PVPK-30
- Scaling up of NMP, GBL, Morpholine Plants.
- International competitive prices and product quality.
- Safe and environmental friendly process.

3. Future Course of Action

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

4. Expenditure on R & D

a. In capital nature	Rs. 622.07 lacs
b. In revenue nature	Rs. 277.70 lacs
Total	Rs. 899.77 lacs

The total R & D expenditure is 3.25% of Gross Sales.

B. Technology Absorption, Adoption and innovation

Efforts made

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

Benefits

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

MANAGEMENT DISCUSSION & ANALYSIS REPORT

INDUSTRY STRUCTURE, DEVELOPMENT AND OUTLOOK

The Company is a leading manufacturer and international supplier in the field of Fine chemicals, specialty chemicals, aliphatic amines and derivatives. The company has three manufacturing facilities, Unit-I is located at Tammalwadi, Tuljapur, Maharashtra, Unit-II is located at IDA Bollaram, Hyderabad, and Unit-III is located at MIDC, Chinhoi. BAL possesses an excellent R&D team of professionals and state of the art facilities, which supports in conducting basic research and development of new products and also fine tuning the existing processes.

The company caters to various Industries which are backbone of Indian Economy and has market presence in the following growth oriented areas;

- Active Pharma Ingredients
- Agro Chemicals
- Refineries (lube extraction)
- Water Treatment Chemicals
- Rubber Chemicals
- Photographic Chemicals

India has become a leader in the fields of API's pharmaceuticals, CRMS and drug discovery for Global pharmaceutical companies. Balaji Amines provides the vital raw material inputs to majority of these companies and given the standing company's products enjoy, the demand is increasing and the company is being recognized as a dependable supplier in the long run.

In addition to the domestic market the company has developed a long term vendor relations with its overseas customers and a large amount of company's efforts are being focused on the development of overseas markets.

The management is of the view that the demand for the company's products ranges from being stable to increasing in nature and thus consistent and continuing market exists for the company's products.

However, keeping in view the need for improving one's product range the company is constantly developing and increasing its product range by conscious and continuous R & D efforts in developing new products, expanding existing capacities, and fine tuning the existing plant's processes.

FINANCIAL REVIEW

The Company posted a gross turnover of Rs. 277.14 crore as against Rs. 273.58 crore in the previous year. The company posted profit after tax of Rs. 20.65 crore for the current year as against Rs. 15.33 crore in the previous year.

INTERNAL CONTROL SYSTEM

Over the years, the company has implemented an Enterprise Resource Planning (ERP) system. This ERP system has been further streamlined and has been re-engineered with existing business process and management control tools, has enabled the company to work efficiently and effectively.

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

COST CONTROLS

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

INDUSTRY RELATIONS

The company had introduced various platforms such as House committees, safety committees etc., whereby the employees exchange their views and suggestions with the various levels of management. The management has experienced that this

system resulted in increased and mutually beneficial relationships and employee participation in the day-to-day operations of the company. The company as always, maintained a harmonious and happy relations with its entire employees.

HUMAN RESOURCES

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

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

SAFETY, HEALTH AND ENVIRONMENT

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

RISKS & CONCERNS AND RISK MITIGATIONS

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

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

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

CAUTIONARY STATEMENT

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

FUTURE OUTLOOK

The outlook for the business is generally encouraging and demand for our products, in various sectors like API'S, Agrochemicals, water treatment chemicals, Refineries etc., are increasing and overall outlook is favorable.

With a host of new products lined up through sustained R & D efforts the management is confident of maintaining a positive growth path in the coming years.

CORPORATE GOVERNANCE

A. Company's Philosophy on Corporate Governance

The company believes that the Corporate Governance integrates all the functions/divisions of the organization in order to create value for the shareholders. In the competitive business environment, the key management and employees are focused in upholding the values of integrity, transparency, responsibility and accountability.

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

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

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

B. Board of Directors

- i. The Board of Directors of the Company consists of Eight (8) Directors with an Independent Non Executive Director as Chairman. To ensure independent, transparent and professional conduct of board procedures in all aspects related thereto, fifty percent (50%) i.e. 4 out of 8 directors are Independent directors. The composition of the directors is in accordance with the Clause 49 of the Listing Agreements entered with the Stock Exchanges.
- ii. There are no pecuniary relationships or transactions with Independent Non Executive Directors except for sitting fees paid for attending Board and other Committee Meetings.
- iii. Five (5) Board meetings were held during the financial year 2009-10 and the gap between two meetings did not exceed four months. The said board meetings were held on the following dates:

Board Meeting Number	Date of Board Meeting
127	29.04.2009
128	24.07.2009
129	26.10.2009
130	27.01.2010
131	10.02.2010

- iv. None of the Directors on the board is a member of more than 10 committees or Chairman in more than 5 committees, across in all the companies in which they are directors.
- v. The names and categories of Directors on the Board, their attendance at the Board Meeting and at the Annual General Meeting, as also the number of Directorship and Committee Membership held by them in other companies are given below:

Structure of the Board for the Year ended March 31st, 2010

Name of the Director	Category	No. of Board Meeting attended	Attended AGM held on 29.08.2009	No. of Other Directorships Held	Memberships/ chairmanships held in Committees of other Companies	
Sri M. R. Krishnaiah (Chairman) DIN 02361937	Independent Non- Executive Director	5	No	0	—	—
Sri .A. Prathap Reddy (Managing Director) DIN 00003967	Executive Director	5	Yes	3	—	—
Sri N. Rajeshwar Reddy (Whole Time Director) DIN 00003854	Executive Director	2	Yes	2	—	—
Sri D Ram Reddy (Whole Time Director) DIN 00003854	Executive Director	3	Yes	5	—	—
Sri G. Hemanth Reddy (Whole Time Director) DIN 00003868	Executive Director	5	Yes	2	—	—
Sri T. Naveena Chandra (Director) DIN 00231636	Independent Non- Executive Director	5	No	4	—	—
Sri S. Vishnu Rao (Director) DIN 02410801	Independent Non- Executive Director	5	No	1	—	—
Sri S. V. Pattabhiraman (Director) DIN 00195247	Independent Non- Executive Director	5	No	1	—	—

C. Board Committees
1. Audit Committee

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

During the year under review, four meetings of the committee were held on 29.04.2009, 24.07.2009, 26.10.2009 and 27.01.2010.

The composition of the committee as on 31.03.2010 as well as the particulars of the attendance at the committee meeting during the year is given below:

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

Necessary Quorum was present for all the meetings.

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

The committee meetings are also attended and supported by A. Prathap Reddy (Managing Director) and G. Hemanth Reddy (whole time director). The Company Secretary of the Company acts as the Secretary to the Committee.

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

Terms of Reference

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

In addition to above, the committee shall have such functions, powers and role as may be specified in the Companies Act, 1956, Listing Agreement or any other applicable law.

2. Remuneration Committee

Terms of Reference

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

Composition

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

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

Details of remunerations paid/payable to directors for the year ended 31st March, 2010 is as under:

a) Independent, Non-Executive Directors

Name of the Director	Loans from the company	Salary, allowances & Perquisites	Commission	Sitting Fees (Rs.)	Total
Sri M.R. Krishnaiah	Nil	Nil	Nil	23,000	23,000
Sri. S. Vishnu Rao	Nil	Nil	Nil	23,000	23,000
Sri. S.V. Pattabhiraman	Nil	Nil	Nil	23,000	23,000
Sri. T. Naveena Chandra	Nil	Nil	Nil	23,000	23,000

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

b) Managing Director and Executive Directors

Name of the Director	Loans from the company	Salary, allowances & Perquisites	Commission	Sitting Fees (Rs.)	Total
Sri A. Prathap Reddy	Nil	28,06,400	1,45,27,223	Nil	1,73,33,623
Sri. N. Rajeshwar Reddy	Nil	25,59,800	43,73,649	Nil	69,33,449
Sri. D. Ram Reddy	Nil	25,59,800	43,73,649	Nil	69,33,449
Sri. G. Hemanth Reddy	Nil	13,15,200	21,51,525	Nil	34,66,725

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

Shareholding of Directors of the Company as on 31st March, 2010

Name of the Director	Designation	Number of Shares held
Sri M. R Krishnaiah	Chairman	25
Sri. A. Prathap Reddy	Managing Director	7,46,100
Sri. N. Rajeshwar Reddy	Whole Time Director	1,18,979
Sri. D. Ram Reddy	Whole Time Director	93,377
Sri. G. Hemanth Reddy	Whole Time Director	1,41,004
Sri. S. Vishnu Rao	Director	10
Sri. S. V. Pattabhiraman	Director	10
Sri T. Naveena Chandra	Director	10

3. Shareholders/ Investors Grievance Redressal Committee

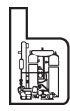
Terms of reference

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

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

Composition

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



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

S.No.	Description	No. of request received	No. of request resolved	Pending cases
1	Change of Address	5	5	0
2	Duplicate Share Certificate	1	1	0
3	Loss of Share certificate	1	1	0
4	Bank Mandate	11	11	0
5	Non Receipt of Dividend Warrant	6	6	0
6	Revalidation of Dividend	4	4	0
7	Transmission	5	5	0
8	Miscellaneous	6	6	0
	Total	39	39	0

4. Research and Development Committee

Terms of reference

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

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

Composition

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

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

Unit 1	Unit III
Sri A.Prathap Reddy	Sri A.Prathap Reddy
Sri N.Rajeshwar Reddy	Sri N. Rajeshwar Reddy
Sri P.B. Choudhury	Sri K.S.T.V. Ramana Murthy
Sri A. Muralidhar	Dr. Shyam Rao
—	Sri A. Muralidhar

D GENERAL BODY MEETING
Venue and time of the preceding three Annual General Meetings (AGM)

Year	AGM	Venue	Day & Date	Time
2006-2007	19th AGM	Registered Office: 165-A, Balaji Bhavan, Railway Lines, Solapur-413001	Thursday, 6th September, 2007	11.30 A.M.
2007-2008	20th AGM	Registered Office: 165-A, Balaji Bhavan, Railway Lines, Solapur-413001	Wednesday, 24th September, 2008	11.30 A.M.
2008-2009	21st AGM	Registered Office: 165-A, Balaji Bhavan, Railway Lines, Solapur-413001	Saturday, 29th August, 2009	11:30 A.M.

Special Resolutions

1. A Special Resolution was passed in the 19th Annual General Meeting for voluntary delisting of securities from the Hyderabad Stock Exchange (HSE).
2. At the 21st Annual General Meeting of the Company held on 29th August, 2009, two Special Resolutions were passed with requisite majority for the alteration of Article No. 120 and Article No. 146 to 194 of Articles of Association of the company for widening of the scope of appointment of director by removing Share qualification requirement for appointment of a director and for deletion the article no 146 which deals with notice of calling board meeting by giving 15 days notice which is not practical as per existing market conditions where decision have to be taken without any delay.

Postal ballot

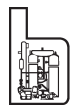
Special Resolutions under section 16, 17 and 149 (2A) of the Companies Act, 1956, to amend Clause III (C) of the Memorandum of Association of the company and to commence business included in the newly inserted Other objects clause as specified in the Notice of Postal Ballot dated 10.02.2010 were passed during the year through Postal Ballot so as to include Objects relating to construction and development of Hotels and other related business and to commence business in the newly inserted clause of the Memorandum of Association of the Company with a view to expand and diversify into new area of Hotel and other related Businesses. Mr. P.S Rao, Practising Company Secretary was appointed as the Scrutinizer for the Postal Ballot.

Details of the Special Resolutions passed under the Postal Ballot are as follows:

RESOLUTION NO 1 :
AMENDMENT OF CLAUSE III (C) OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY

The Details of Voting Pattern is as follows:

No. of Valid Forms Received	Total No. of Shares/ Votes	In favour of Resolution		Against the Resolution		Remarks
		No. of Votes	% of Total No. of Votes	No. of Votes	% of Total No. of Votes	
84	4611699	4611536	99.99	163	0.01	Passed as Special Resolution



RESOLUTION NO 2:

COMMENCEMENT OF BUSINESS IN OTHER OBJECTS CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY

No. of Valid Forms Received	Total No. of Shares/ Votes	In favour of Resolution		Against the Resolution		Remarks
		No. of Votes	% of Total No. of Votes	No. of Votes	% of Total No. of Votes	
84	4611699	4611536	99.99	163	0.01	Passed as Special Resolution

E DISCLOSURES

a) Related Party Transaction (Shown in Notes to Accounts)

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

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

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

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

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

d) C.E.O. / CFO Certification

Mr. A. Prathap Reddy (Managing Director) and Mr. G. Hemanth Reddy, Whole Time director certified to the Board on the prescribed matters as required under Clause 49 of the Listing Agreement and the said Certificate was considered by the Board at its meeting held on 29.04.2010.

F MEANS OF COMMUNICATIONS

a) The Quarterly results are published in Business Standard (in English) and Lokmat Times and Daianik Pujari(in regional language) dailies.

b) Quarterly Financial Results are furnished within the time frame to all the concerned Stock Exchanges as per clause 41 of the Listing Agreement and the same are displayed on the company's website.

c) No presentations were made to the analysts or institutional investors during the year under review except the results are mailed electronically to those who have requested for regular information.

d) All material information about the Company is promptly sent through facsimile to the Stock Exchanges where the Company's shares are listed and the same are displayed on the company's website.

e) The company's website www.balajiamines.com contains separate dedicated section 'Investor information' where in full Annual Report is also available in a user- friendly and downloadable format.

G. GENERAL SHAREHOLDER INFORMATION
a) 22nd Annual General Meeting

Date and Time 8th September, 2010 at 11:30 a.m.
 Venue 165-A Balaji Bhavan, Railway Lines,
 Solapur - 400001, Maharashtra

b) Tentative Financial Calendar for the year 2010-2011

Financial Year 1st April to 31st March
 First Quarter Results Fourth week of July, 2010
 Half Yearly Results Fourth week of October, 2010
 Third Quarter Results Fourth week of January, 2011
 Results for year end Fourth week of April, 2011

c) Date of Book Closure

01.09.2010 to 08.09.2010 (both days inclusive)

d) Dividend Payment Date

The proposed dividend, if approved at the ensuing AGM will be distributed after 08.09.2010.

e) Listing on Stock Exchange

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

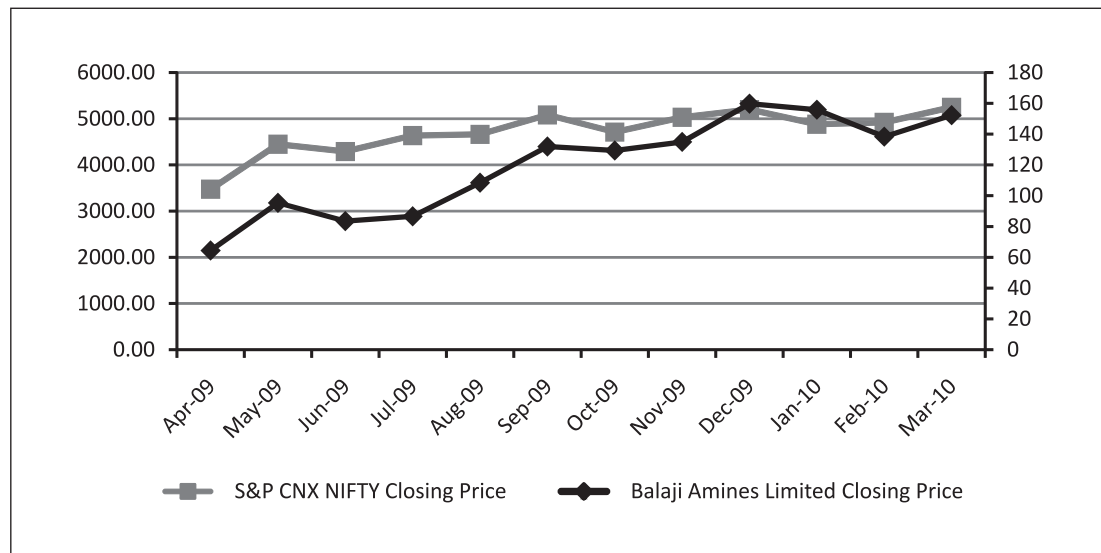
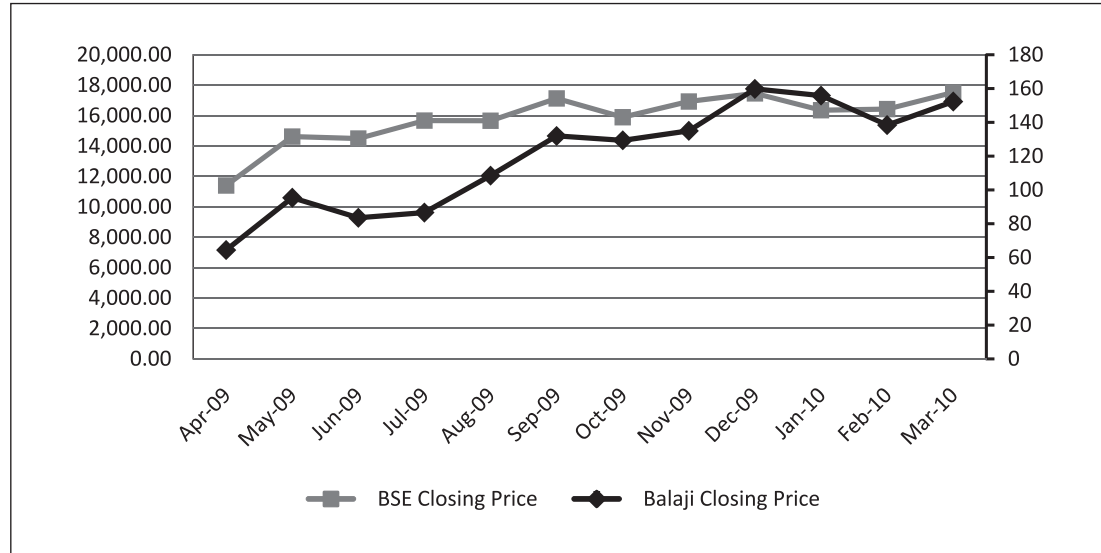
The Company has paid the annual listing fees for the year 2010-2011 to both the above stock exchanges.

f) Market Price Data

The closing market price of the equity shares as on 31st March, 2010 was Rs. 152/- on NSE and Rs. 152.35 on BSE. The monthly movement of the equity share price during the year on BSE and NSE are summarised herein below

Month	National Stock Exchange of India Limited			Bombay Stock Exchange Limited		
	High (Rs.)	Low (Rs.)	Volume	High (Rs.)	Low (Rs.)	Volume
April-09	79.9	60	14140	74.95	61	27,663
May-09	104.9	60	60866	104.9	61.25	95,150
June-09	108.75	77.2	32295	100.7	80.1	46,234
July-09	94.9	73.65	18805	92.9	76.5	14,467
August-09	129.55	81	87100	131.55	81.3	139,652
September-09	138	100.1	94161	139.3	103	192,237
October-09	151.2	128	58437	150	129	163,544
November-09	139.15	114.95	49362	140	114	141,392
December-09	165	125	124326	164	129.7	227,956
January-10	195.6	142.75	296138	195	144	347,538
February-10	172	134.05	46224	164.95	138	80,238
March-10	156	131.5	55537	159.65	127.3	84,033

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



h) Registrar and Share Transfer Agents

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

i) Share Transfer System

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

The Board has delegated the authority for approving transfer, transmission etc of the company's securities to the Share Transfer Committee. A summary of share transfer/ transmission of the securities of the company so approved by the committee are placed at every Board Meeting.

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

j) Distribution of Shareholding as on 31st March, 2010

Equity Shares holding of nominal value of		Equity Shares Holders		Equity Shares Amount	
From (Rs.)	To (Rs.)	Numbers	% to	in Rs.	% of
01	5000	3422	86.07	43,93,050	6.78
5001	10000	279	7.02	23,59,770	3.64
10001	20000	110	2.77	17,14,880	2.65
20001	30000	46	1.16	11,48,750	1.77
30001	40000	25	0.63	8,88,580	1.37
40001	50000	19	0.48	9,02,750	1.39
50001	100000	32	0.80	22,93,710	3.54
100001	Above	43	1.08	5,11,00,510	78.86
TOTAL		3976	100	6,48,02,000	100

k) Dematerialisation

97.43 % of the Company's paid-up equity share capital has been dematerialised as on 31st March, 2010. The Equity shares of the company are traded compulsorily in dematerialized segment in all the stock exchanges and is under rolling settlement. The demat security code (ISIN) of the equity shares is INE050E01019.

l) Plant Location

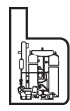
Unit-I	Unit-II	Unit- III
Tammalwadi,(V)	Plot No 4&5	MIDC,
Tuljapur (Tq)	Besides APSEB Sub- Station-II	Chincholi
Osmanbad (Dist)	IDA, Bollaram-502325	Solapur
Maharashtra-413623	Jinnaram Mandal	Maharashtra
	Medak Dist	
	Andhra Pradesh	

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

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

n) Compliance Officer

Hemish Purushottam
 Company Secretary
 Balaji Amines Limited
 165/A, "Balaji Bhavan"
 Railway Lines
 Solapur-413001
 Email: cs@balajiamines.com
Investor Services
 Email: is@balajiamines.com



H. Compliance Certificate from Auditors

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

I. Code of Conduct for the Board & Senior Management Personnel

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

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

The Board of Directors
Balaji Amines Limited, Solapur.

We have examined the compliance of conditions of Corporate Governance by Balaji Amines for the year ended 31st March, 2010 as stipulated in Clause 49 of the Listing Agreements of the said Company with Stock Exchange in India.

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

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

We state that in respect of investor grievances received during the year ended 31st March, 2010, no investor grievances are pending against the Company exceeding one month as per records maintained by the Company which are presented to the Shareholders/Investors Grievance Committee.

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

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

Vemulapati Sridhar
Proprietor

April 29, 2010
Hyderabad,

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 March 31, 2010 as envisaged in clause 49 of the listing agreement with stock exchange.

Secunderabad
April 29, 2010

A. Prathap Reddy
Managing Director

AUDITORS' REPORT

To
the Members of **M/s. Balaji Amines Limited.**
Solapur.

1. We have Audited the attached Balance Sheet of **Balaji Amines Limited**, as at March 31, 2010, the Profit and Loss account and also the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the Accounting Principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that;
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books
 - (iii) The Balance Sheet, Profit and Loss account and the Cash Flow statement dealt with by this report are in agreement with the books of accounts
 - (iv) In our opinion, the Balance Sheet, the Profit and Loss account and the Cash Flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the Directors, as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
 - b) in the case of the Profit and Loss account, of the Profit for the year ended on that date and
 - c) in the case of the Cash Flow statement, of the cash flows for the year ended on that date.

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

VEMULAPATI SRIDHAR
Proprietor
ICAI Membership No. 202337

April 29, 2010
Hyderabad

ANNEXURE TO THE AUDITOR'S REPORT

Re : **Balaji Amines Limited**

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

- (i)
 - a. The company is maintaining proper records showing full particulars including quantitative particulars and situation of fixed assets.
 - b. The management of the Company, during the year, at reasonable intervals has physically verified the fixed assets. According to information and explanations given to us no material discrepancies were noticed on such verification.
 - c. The Company has not disposed off substantial part of fixed assets during the year
- (ii)
 - a. The inventory has been physically verified by the management during the year and the frequency of such verification is reasonable.
 - b. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
 - c. The Company is maintaining proper records of inventory and according to information and explanations given to us no material discrepancies have been noticed on such physical verification
- (iii)
 - a. The company has granted loan to Bhagyanagar Chemicals Limited (a subsidiary). The maximum balance in the account during the year was Rs.90.05 lacs and the year end balance is Rs.84.21 lacs. The company has not taken any loans during the year.
 - b. In our opinion the rates of interest and other terms and conditions granted as above are not prima facie prejudicial to the interests of the company.
 - c. The payments to the company in respect of the said loans are as per the terms agreed to by the parties.
- (iv) In our opinion and according to the information and explanations given to us there is adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit we have not observed any continuing failure to correct major weaknesses in the internal control.
- (v)
 - a. According to the information and explanations given to us we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - b. We are of the opinion that each of these transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The company has not accepted deposits from public.
- (vii) In our opinion the company has an internal audit system commensurate with its size and nature of business.
- (viii) The Central Government has not prescribed maintenance of cost records to the company.
- (ix)
 - a. The company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it.
 - b. According to information and explanations given to us, no undisputed amounts in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, and Cess were in arrear as on March 31, 2010 for a period of more than six months from the date they became payable.
- (x) The company does not have any accumulated losses.
- (xi) The company has not defaulted in repayment of dues to financial institution or banks. The Company has not issued debentures.

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

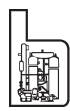
For V.Sridhar & Co.

Chartered Accountants
Firm No. 006206S

Vemulapati Sridhar

Proprietor
ICAI Membership No. 202337

April 29, 2010.
Hyderabad



BALANCE SHEET AS AT MARCH 31, 2010

Particulars	Schedule	As at 31.03.2010		As at 31.03.2009	
		Rupees	Rupees	Rupees	Rupees
I. SOURCES OF FUNDS					
Shareholders funds					
Share Capital	1	64,802,000		64,802,000	
Reserves and surplus	2	827,196,427		639,655,552	
Deferred Tax Liability		268,495,791		212,345,721	
Loan Funds					
Secured Loans	3	996,874,308		1,017,856,791	
TOTAL		2,157,368,526		1,934,660,064	
II. APPLICATION OF FUNDS					
Fixed Assets					
Gross Block		1,575,035,944		1,073,886,158	
Less : Depreciation	4	371,853,468		303,736,075	
Net block		1,203,182,477		770,150,083	
Capital Work in Progress		23,585,618		357,291,582	
Investments	5	44,028,200		42,949,397	
Current Assets, Loans & Advances					
Inventories	6	319,988,906		330,993,298	
Sundry Debtors	7	667,310,237		585,095,267	
Cash & Bank Balances	8	36,205,938		23,687,541	
Other Current Assets	9	9,650,353		6,770,771	
Loans & Advances	10	250,023,790		116,833,064	
TOTAL (a)		1,283,179,224		1,063,379,941	
Less					
Current Liabilities & Provisions					
Liabilities	11	324,653,215		250,826,707	
Provisions	12	71,953,778		48,284,232	
TOTAL (b)		396,606,993		299,110,939	
Net Current Assets (a - b)		886,572,231		764,269,002	
Miscellaneous Expenditure (to the extent not written off or adjusted)		—		—	
TOTAL		2,157,368,526		1,934,660,064	
Notes forming part of accounts	20				

As per our report of even date
for **V. Sridhar & Co.**,
Chartered Accountants,
Firm No. 006206S

for and on behalf of the Board of Directors

Vemulapati Sridhar
Proprietor

A. Prathap Reddy
Managing Director

G. Hemanth Reddy
Whole-time Director

April 29, 2010
Hyderabad

Hemish Purushottam
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

Particulars	Schedule	For the year ended 31.03.2010		For the year ended 31.03.2009	
		Rupees	Rupees	Rupees	Rupees
I. INCOME					
Sales	13	2,771,398,171		2,735,852,635	
Less:- Excise Duty		152,439,880	2,618,958,291	218,984,571	2,516,868,064
Other Income	14		14,563,139		28,707,922
Increase / (-) Decrease in stocks	15		27,195,811		4,637,473
TOTAL			2,660,717,241		2,550,213,459
II. EXPENDITURE					
Raw Materials consumed	16		1,464,185,167		1,562,360,015
Manufacturing, selling & Administrative Expenses	17		657,528,446		528,622,379
Interest and Finance Charges	18		97,058,645		101,860,471
Sales Tax \ Value Added Tax			61,579,971		60,176,370
Depreciation	4		68,359,793		48,156,212
TOTAL			2,348,712,022		2,301,175,447
Balance			312,005,219		249,038,012
Prior Period Items					
(Excess provision of Income Tax written back)			3,639,501		—
Profit before Tax			315,644,720		249,038,012
Provision for:-					
Deferred Tax Liability (Originating during the year)		56,150,070		63,271,793	
Provision for Taxation - Current		53,000,000		31,800,000	
Fringe Benefit Tax		—	109,150,070	700,000	95,771,793
Profit after tax available for appropriation			206,494,650		153,266,219
Less:- Appropriations					
a. Transfer to General Reserve		21,000,000		12,000,000	
b. Proposed Dividend on Equity Shares		16,200,500		12,960,400	
c. Dividend Distribution Tax		2,753,275	39,953,775	1,835,520	26,795,920
Balance after appropriations transferred to Reserves & Surplus			166,540,875		126,470,299
Earning per share - Basic Rupees (Profit after Tax / No. of Equity Shares)			31.87		23.65
Notes forming part of accounts	20				

As per our report of even date

for V. Sridhar & Co.,
Chartered Accountants,
Firm No. 006206S

for and on behalf of the Board of Directors

Vemulapati Sridhar
Proprietor

A. Prathap Reddy
Managing Director

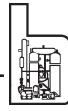
G. Hemanth Reddy
Whole-time Director

April 29, 2010
Hyderabad

Hemish Purushottam
Company Secretary

SCHEDULES FORMING PART OF THE ACCOUNTS

Particulars	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
Schedule 1		
SHARE CAPITAL		
Authorised 90,00,000 Equity shares of Rs. 10/- each	90,000,000	90,000,000
Issued Subscribed and Paid up 64,80,200 Equity shares of Rs. 10/- each fully paid up	64,802,000	64,802,000
Total	64,802,000	64,802,000
Schedule 2		
RESERVES & SURPLUS		
Balance of Profit & Loss brought forward	514,374,047	387,903,748
Add current year profit	166,540,875	126,470,299
Total in Profit & Loss Account	680,914,922	514,374,047
State Subsidy	3,000,000	3,000,000
Share Premium Account	56,961,000	56,961,000
Capital Reserves (profit on re-issue of forfeited shares)	620,505	620,505
General Reserve	85,700,000	64,700,000
Total	827,196,427	639,655,552
Schedule 3		
SECURED LOANS		
State Bank of Hyderabad	383,425,119	464,387,058
State Bank of India [Term Loan Secured by first charge on fixed assets of the company, both present and future and mortgage by deposit of the land title deeds]	45,598,014	60,688,672
Bank of Baroda {Term Loan Secured by first charged on Wind Electric Generator}.	25,000,000	—
State Bank of Hyderabad	285,811,521	265,104,884
State Bank of India	213,965,789	209,051,677
ING Vysa Bank Ltd. [Towards working capital limits, secured by way of hypothecation of stocks and book debts and second charge on all fixed assets of the company, both present and future] The above borrowings are also supported by personal guarantee of directors of the company Viz : Sri A. Prathap Reddy, Sri N.Rajeshwar Reddy, Sri D. Ram Reddy and Sri G.Hemanth Reddy.	43,073,865	18,624,500
Total	996,874,308	1,017,856,791



SCHEDULES FORMING PART OF THE ACCOUNTS

**Schedule 4
FIXED ASSETS**

Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 31.03.2009	Additions	Deletions	As at 31.03.2010	Up to 31.03.2009	For the Period	Deletions	Up to 31.03.2010	As at 31.03.2009	As at 31.03.2010
Land	54,369,737	9,851,612	—	64,221,349	—	—	—	—	54,369,737	64,221,349
Buildings	113,387,546	75,080,138	—	188,467,684	21,430,687	5,535,330	—	26,966,017	91,956,859	161,501,667
Wind Electric Generator	113,315,434	—	—	113,315,434	17,113,640	5,983,055	—	23,096,695	96,201,794	90,218,739
Plant & Machinery	605,571,732	253,761,558	—	859,333,290	239,629,369	40,577,706	—	285,400,928	365,942,363	706,172,534
Plant & Machinery R & D	155,496,179	142,991,323	—	298,487,502	14,122,994	13,493,794	—	22,422,935	141,373,185	143,824,395
Furniture & Fixtures	3,908,480	2,335,316	—	6,243,796	1,507,267	299,597	—	1,806,864	2,401,213	4,436,932
Office Equipment	6,182,922	582,623	—	6,765,545	2,364,184	414,289	—	2,778,473	3,818,738	3,987,072
Vehicle	8,459,157	9,209,771	337,000	17,331,928	4,304,777	1,101,907	242,399	5,164,285	4,154,380	12,167,643
Others	13,194,971	7,674,445	—	20,869,416	3,263,157	954,115	—	4,217,271	9,931,814	16,652,146
Total	1,073,886,158	501,486,786	337,000	1,575,035,944	303,736,075	68,359,793	242,399	371,853,468	770,150,083	1,203,182,477

SCHEDULES FORMING PART OF THE ACCOUNTS

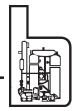
Particulars	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
Schedule 5		
INVESTMENTS		
In Subsidiaries		
12,99,300 equity shares of Rs.10/- each fully paid up in Bhagyanagar Chemicals Ltd. Amount to 99.95% of the total capital of the company. The investment is unquoted and the same is treated at cost of acquisition	7,078,200	7,078,200
Other Investment		
500 equity shares of Rs.100/- each fully paid up in Solapur Janata Sahakari Bank - unquoted	50,000	50,000
National Saving Certificate	—	121,197
Balaji Greentech Products Ltd. (2940000 Equity Shares of Rs.10/- each amounting to 49% of Equity of the Company)	29,400,000	29,400,000
Balaji Sourcings Pvt. Ltd. (750000 Equity Shares of Rs. 10/- each amounting to 30% of Equity of the Company)	7,500,000	6,300,000
Total	<u>44,028,200</u>	<u>42,949,397</u>
Schedule 6		
INVENTORIES		
(As verified, valued and certified by the Management)		
Finished Goods	98,853,776	67,322,081
Stock in process / plant	34,474,997	38,810,881
Raw Materials	116,821,622	174,624,826
Stock at Bonded warehouse	45,171,276	18,875,813
Stores and Spares	18,926,763	20,794,981
Others - Fuel etc.	5,740,472	10,564,716
Total	<u>319,988,906</u>	<u>330,993,298</u>
Schedule 7		
SUNDRY DEBTORS		
(Unsecured; considered good)		
Over Six months	21,549,604	—
Others	645,760,633	585,095,267
Total	<u>667,310,237</u>	<u>585,095,267</u>
Schedule 8		
CASH AND BANK BALANCES		
Cash on hand	114,778	302,562
Cash with schedule banks -		
In current accounts	756,355	1,805,283
In margin money account	35,334,805	21,579,696
Total	<u>36,205,938</u>	<u>23,687,541</u>

SCHEDULES FORMING PART OF THE ACCOUNTS

Particulars	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
Schedule 9		
OTHER CURRENT ASSETS		
Deposit with Government Departments	8,587,030	5,910,980
Other Deposits	1,063,323	859,791
Total	9,650,353	6,770,771
Schedule 10		
LOANS & ADVANCES		
(Unsecured : considered good)		
Advances to employees	1,325,053	1,069,541
Advances recoverable in cash or in kind or for value to be received	90,104,222	68,653,011
Advances to suppliers	106,431,459	15,504,161
Advance Taxes	43,741,839	23,185,134
Advance to Subsidiary Co.	8,421,217	8,421,217
Total	250,023,790	116,833,064
Schedule 11		
CURRENT LIABILITIES		
Creditors for raw materials	272,194,916	193,291,462
Advances from Customers	3,748,745	2,995,787
Creditors for expenses	46,149,386	39,618,002
Retention Money from Machinery Suppliers	2,560,168	15,504,295
Total	324,653,215	251,409,546
Schedule 12		
PROVISIONS		
Income Tax	53,000,000	32,152,356
Proposed Dividend	16,200,500	12,960,400
Dividend Distribution Tax	2,753,278	1,835,520
Total	71,953,778	46,948,276

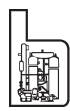
SCHEDULES FORMING PART OF THE ACCOUNTS

Particulars	For the year ended 31.03.2010 Rupees	For the year ended 31.03.2009 Rupees
Schedule 13		
SALES		
Aliphatic Amines , Derivatives, Natural Products & Export Benefits	2,771,398,171	2,735,852,635
Total	<u>2,771,398,171</u>	<u>2,735,852,635</u>
Schedule 14		
OTHER INCOME		
Interest	1,438,234	2,519,410
Insurance Claim	134,708	505,109
Foreign Exchange Fluctuations	—	12,191,988
Income from WEG	12,929,657	12,726,809
Profit on Sale of Land	—	295,090
Misc.Income	60,540	469,516
Total	<u>14,563,139</u>	<u>28,707,922</u>
Schedule 15		
INCREASE / (-) DECREASE IN STOCK		
Opening Stock		
Finished goods	67,322,081	53,237,531
Stock in process / plant	38,810,881	48,257,958
Total	<u>106,132,962</u>	<u>101,495,489</u>
Closing stock		
Finished goods	98,853,776	67,322,081
Stock in process / plant	34,474,997	38,810,881
Total	<u>133,328,773</u>	<u>106,132,962</u>
Increase / Decrease in Stock	<u>27,195,811</u>	<u>4,637,473</u>
Schedule 16		
RAW MATERIAL CONSUMED		
Opening Stock	174,624,826	184,610,720
Add : Purchases	1,406,381,963	1,552,374,121
Sub Total	1,581,006,789	1,736,984,841
Less : Closing stock	116,821,622	174,624,826
Consumed	<u>1,464,185,167</u>	<u>1,562,360,015</u>



SCHEDULES FORMING PART OF THE ACCOUNTS

Particulars	For the year ended 31.03.2010 Rupees	For the year ended 31.03.2009 Rupees
Schedule 17		
MANUFACTURING, SELLING & ADMINISTRATION EXPENSES		
Salaries, Wages & Other employee benefits	59,179,848	46,974,436
Bonus	3,710,143	2,922,533
Gratuity and provident fund (Including Directors)	5,198,099	4,679,707
Employees Group Insurance	2,981,703	2,694,317
Directors Group Insurance	62,821	77,671
Remuneration to Directors including allowances	5,250,000	4,950,000
Commission to Directors	25,426,046	22,212,914
Stores & Spares & Packing Materials	110,305,792	72,394,530
Power & Fuel	284,872,625	230,745,692
Repairs & Maintenance - Plant & Machinery	8,286,829	5,270,168
Repairs & Maintenance - Wind Electric Generator	306,461	116,303
Rent, Rates & Taxes	3,620,474	5,838,781
Insurance	3,232,223	2,763,885
Carriage Outward	76,089,849	62,053,303
Others	68,362,683	64,298,139
Remuneration to Auditors		
As auditors	530,000	530,000
Towards certification and other services	112,850	100,000
Total	657,528,446	528,622,379
Schedule 18		
INTEREST & OTHER CHARGES		
Interest	85,171,734	89,021,786
Bank Charges	9,368,861	8,432,285
Processing charges	2,518,050	4,406,400
Total	97,058,645	101,860,471



Notes on Accounts

Schedule 20

1. Significant accounting policies

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

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

The Company has a system of determining impairment of Assets. The losses arising on such determination, if any, are recognized in the Profit & Loss account.

(C) **Investments:** Investments are stated at cost.

(D) **Inventories:**

a) Finished goods including R & D products are valued at lower of cost or Net Realizable Value. Cost for this purpose is arrived at on Absorption costing basis.

b) Stock in process/plant is valued at cost.

c) Stock of raw materials, Stores and Spares and packing materials are valued at cost.

(E) **Staff Benefits :**

a) Provident Fund Contributions are accounted on accrual basis.

b) The company has taken a policy of Group Gratuity Scheme of LIC. All contributions made are charged to revenue.

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

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

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

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

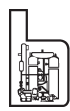
(J) **Foreign Currency Transactions:** Foreign Exchange Transactions are recorded at pre-determined standard exchange rates which are reviewed periodically. Gains or losses arising out of such periodic revisions of such standard rates and also on realization are accounted for accordingly.

2. **Contingent Liabilities:** Disputed Income Tax Liability Rs.1.52 Crs. for year ended 31.03.2007 related to A.Y.2007-08. The Company has preferred an appeal against the demand. The amounts paid against the disputed demand are included in Loans & Advances.

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

	RUPEES
Salaries and allowances to Directors	92,41,200
Commission	2,54,26,046
Total	3,46,67,246
Profit Before Tax as per Profit and Loss Account	31,20,05,399
Add : a. Remuneration to Directors as above	3,46,67,246
b. Depreciation debited to profit and loss account	6,83,59,793
Total	10,30,27,039
Less : a. Depreciation under section 350	6,83,59,793
b. Capital profit credited to Profit and Loss account	—
	6,83,59,793
Profit for the purpose of commission	34,66,72,465

Particulars	Current Year Rupees	Previous year Rupees
4. Remuneration to Directors		
a) A. Prathap Reddy, Managing Director		
— Salary	12,00,000	11,40,000
— Allowances	16,06,400	4,21,800
b) N. Rajeshwar Reddy, Executive Director		
— Salary	10,20,000	9,60,000
— Allowances	15,39,800	3,55,200
c) D. Ram Reddy, Commercial Director		
— Salary	10,20,000	9,60,000
— Allowances	15,39,800	3,55,200
d) G.Hemanth Reddy - Director - Finance		
— Salary	9,60,000	9,00,000
— Allowances	3,55,200	3,33,000
5. Auditors Remuneration (Exclusive of applicable taxes)		
As auditors	5,42,850	5,30,000
Towards Income tax matters	1,00,000	1,00,000
6. Quantitative particulars		
a) Licensed Capacity (TPA) [The company's products do not require any licenses hence not applicable]	—	—
b) Installed Capacity (TPA) [Being technical in nature certified by management and accepted by Auditors]		
Aliphatic Amines and Derivatives of Amines	55,000	50500
Natural Products [Research & Development]	48	48
c) Production (MT)		
d) Aliphatic Amines and Derivatives of Amines	43809.228	38874.268



Particulars	Current Year		Previous Year	
	Quantity	Value (Rupees)	Quantity	Value (Rupees)
7. Sales (MT)				
Aliphatic Amines and Derivatives & Natural Product (Excluding captive consumption and transfer to reprocess)	35100.248	277,13,98,171	31444.166	273,58,52,635
8. Closing stock				
Aliphatic Amines and Derivatives & Natural Products	1026.011	9,88,53,776	974.175	6,73,22,081
9. Raw material - Consumption				
1. Methyl / Ethyl alcohols	28998.861	50,29,72,340	27893.794	56,46,63,493
2. Industrial gases	9210.090	15,10,67,578	8256.710	18,21,13,617
3. Others		96,12,12,827		81,55,82,905

10. Foreign exchange earnings and outgo

CURRENT YEAR					
Earnings	US Dollars	4585878.12	equivalent to INR	21,65,35,880	in Exports
	Euro	5618031.76	equivalent to INR	37,58,99,275	in Exports
	GBP	271769.36	equivalent to INR	2,02,29,201	in Exports
PREVIOUS YEAR					
	US Dollars	3498876.75	equivalent to INR	15,42,60,740	in Exports
	Euro	5685380.90	equivalent to INR	36,87,69,946	in Exports
	GBP	132800.00	equivalent to INR	1,01,11,520	in Exports
CURRENT YEAR					
Outgo	US Dollars	15094.13	equivalent to INR	7,24,401	For commission toward sales promotion
	EURO	7988.00	equivalent to INR	5,38,242	
	US Dollars	229.00	equivalent to INR	10,552	For Regn. & Renewal exp.
	EURO	9000.00	equivalent to INR	5,98,680	For Regn. & Renewal exp.
	US Dollars	44393.00	equivalent to INR	21,25,637	For traveling expenses
	EURO	3900.00	equivalent to INR	2,71,053	For traveling expenses
	EURO	22969.04	equivalent to INR	14,97,306	Towards Exhibition charges
	US Dollars	47700.00	equivalent to INR	21,73,860	For consultancy Charges
	US Dollars	135000.00	equivalent to INR	62,37,000	For Import of Machinery
	US Dollars	11817653.17	INR equivalent to	56,61,56,111	For import of Raw Materials
	EURO	116750.00	INR equivalent to	81,23,465	

PREVIOUS YEAR					
US Dollars	9356.74	equivalent to INR	4,06,320	For commission toward sales promotion	
US Dollars	1979.00	equivalent to INR	88,612	For Regn. & Renewal exp.	
EURO	11625.00	equivalent to INR	7,77,690	For Regn. & Renewal exp.	
US Dollars	40891.79	equivalent to INR	21,61,130	For traveling expenses	
EURO	2245.91	equivalent to INR	1,39,348	For traveling expenses	
Yenn	5640.20	equivalent to INR	33,195	For traveling expenses	
EURO	33496.62	equivalent to INR	21,69,205	Towards Exhibition charges	
US Dollars	76500.00	equivalent to INR	32,68,318	For consultancy	
US Dollars	787107.00	equivalent to INR	3,31,21,587	For Import of Machinery	
US Dollars	18334591.28	equivalent to INR	83,63,84,214	for import of Raw Materials	

Name of the related party	Bhagyanagar Chemicals Limited	Balaji Sourcing Pvt. Limited
Relationship	A Subsidiary company	Company in which the Enterprise is substantially interested, by holding 30% of shares in the total paid up share capital.
Nature of transaction	a. Lease rentals b. Loan given	a. Purchases b. Sales
Transaction value	a. Rs.1,20,000 b. Rs.84,21,218	a. Rs.0.00 b. Rs.6,91,19,394
Balance outstanding - Receivable / (-) Payable as on Balance Sheet date	a. (-) Rs.5,83,494 b. Rs.84,21,218	a. Rs.Nil b. Rs.4,47,59,425
Amount written off / back	Nil	Nil

Signatories to schedules '1' to '20'

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

for and on behalf of the Board of Directors

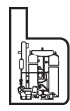
Vemulapati Sridhar
 Proprietor

A. Prathap Reddy
 Managing Director

G. Hemanth Reddy
 Whole-time Director

April 29, 2010
 Hyderabad

Hemish Purushottam
 Company Secretary



ANNEXURE

INFORMATION OF SSI UNIT

SR.NO.	NAME OF THE SUPPLIER	SSI NO.	OUTSTANDING BALANCE AS ON 31/03/2010
1	Chembond Chemicals Ltd.	270211200753	190909
2	K.T. Plastic Industries	600101743	504810
3	Kapila Industries	600011100114	148514
4	Khetan Plastopack Pvt. Ltd.	6001002317	1315541
5	Laxmi Hydraulics Pvt.ltd.	270301200064	140700
6	Navkar Fittings & Forgings Pvt.ltd.	111281141	19709
7	Royal Fiber Containers Industries	110418647	64232
8	Universal Containers Pvt. Ltd.	110703197	496497

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

(Rupees in lacs)

Particulars	For the year ended 31.03.2010	For the year ended 31.03.2009
A. Cash flows from operating activities		
Profit before interest and tax, after prior period items	4127.04	3508.98
Less : Other income considered	(145.63)	(287.08)
Add : Depreciation	683.60	481.56
Add : Increase in Current Liabilities	732.44	(842.85)
Add : Decrease in Inventories	110.04	31.39
Less : Increase in Sundry Debtors	(822.15)	92.32
Less : Increase in Other Current Assets, Loans & Advances	(1360.70)	355.14
Less : Income tax, FBT & dividend distribution tax	(347.41)	(240.73)
 Cash flow from Operating Activities	2977.23	3098.73
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets	(1676.87)	(4124.47)
Long term investments made	(10.79)	(297.07)
Other Income	145.63	287.08
Cash flow from Investing activities	(1542.03)	(4134.46)
C. Cash Flow from Financing Activities		
Secured loans	(209.82)	1837.12
Interest paid	(970.59)	(1018.60)
Dividend	(129.60)	(97.20)
Cash Flow from Financing Activities	(1310.01)	721.32
 Net increase/(decrease) in cash and cash equivalents (A+B+C)	125.19	-314.41
Cash and cash equivalents (beginning of the year)	236.87	551.29
Cash and cash equivalents (end of the year)	362.06	236.88

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

for and on behalf of the Board of Directors
Vemulapati Sridhar
 Proprietor

A. Prathap Reddy
 Managing Director

G. Hemanth Reddy
 Whole-time Director

 April 29, 2010
 Hyderabad

Hemish Purushottam
 Company Secretary

BALANCE SHEET EXTRACT AND COMPANY'S GENERAL PROFILE
AS PER PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956

Registration Details

Registration Number : 11-49387 State code 11
 Balance Sheet Date : 31-3-2010

Capital raised during the year (Amount in Rupees Thousands)

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

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

Total Liabilities	2,157,368.53	Total Assets	2,157,368.53
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Sources of Funds

Paid up capital	64,802.00	Reserves and Surplus	827,196.43
Secured loans	996,874.31	Unsecured Loans	0
Deferred tax liability	268,495.79	Share application money	0

Application of funds

Net Fixed Assets	1,203,182.48	Capital work-in-progress	23,585.62
Net Current Assets	886,572.23	Investments	44,028.20
Deferred tax assets	0	Miscellaneous Expenditure	0
Accumulated Losses	0		

Performance of the Company (Amount in Rupees Thousands)

Turnover	2,660,717.24	Total expenditure	2,348,712.02
(+) Profit / (-) Loss Before Tax	(+) 3,156,44.72	Profit / (-) Loss After Tax	206494.65
Earning per share (Rupees)	31.87	Dividend	16,200.50

Generic Name of three principal products or services of the company

Item Code	292111
Product description	Methyl Amines
Item Code	292111
Production description	Ethyl Amines
Item Code	292111
Production description	Derivatives

As per our report of even date

for V. Sridhar & Co.,

Chartered Accountants,
 Firm No. 006206S

for and on behalf of the Board of Directors

Vemulapati Sridhar
 Proprietor

A. Prathap Reddy
 Managing Director

G. Hemanth Reddy
 Whole-time Director

April 29, 2010
 Hyderabad

Hemish Purushottam
 Company Secretary

AUDITORS' REPORT

To
the Members of M/s. **Balaji Amines Limited**.
Solapur.

1. We have audited the attached Consolidated Balance Sheet of M/s. **Balaji Amines Limited**, and its subsidiary Bhagyanagar Chemicals Limited as at March 31, 2010, the Consolidated Profit and Loss account and also the Consolidated Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Consolidated financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the Accounting Principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the management of Balaji Amines Limited in accordance with the requirements of Accounting Standard 21, "Consolidated Financial Statements". And other applicable standards issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to the explanations given to us, the said Consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Consolidated Balance Sheet, of the state of affairs of Balaji Amines Limited and its subsidiary Bhagyanagar Chemicals Limited as at March 31, 2010;
 - b) in the case of the Consolidated Profit and Loss account, of the Profit for the year ended on that date; and
 - c) in the case of the Consolidated Cash Flow statement, of the cash flows for the year ended on that date.

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

Vemulapati Sridhar
Proprietor
Membership No : 202337

April 29, 2010.
Hyderabad

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010

Particulars	Schedule	As at 31.03.2010		As at 31.03.2009	
		Rupees	Rupees	Rupees	Rupees
I. SOURCES OF FUNDS					
Share Capital	1		64,802,000		64,802,000
Reserves and surplus	2		816,753,119		631,537,104
Deferred Tax Liability			268,495,791		212,345,721
Loan Funds					
Secured Loans	3		996,874,308		1,017,856,791
TOTAL			2,146,925,218		1,926,541,616
II. APPLICATION OF FUNDS					
Fixed Assets					
Gross Block			1,595,880,521		1,094,825,336
Less : Depreciation	4		388,781,869		320,036,266
Net block			1,207,435,654		774,789,070
Capital Work in Progress			23,585,618		357,291,582
Investments	5		37,050,000		35,971,197
Current Assets, Loans & Advances (a)					
Inventories	6		319,988,906		330,993,298
Sundry Debtors	7		667,310,237		585,095,267
Cash & Bank Balances	8		36,211,019		23,692,622
Other Current Assets	9		9,650,353		6,770,771
Loans & Advances	10		241,748,711		108,557,985
Total (a)			1,274,909,226		1,055,109,943
Less					
Current Liabilities & Provisions (b)					
Liabilities	11		324,101,502		250,361,904
Provisions	12		71,953,778		48,300,777
Total (b)			396,055,280		298,662,681
Net Current Assets (a-b)			878,853,946		756,447,262
Miscellaneous Expenditure (to the extent not written off or adjusted)			—		2,042,505
TOTAL			2,146,925,218		1,926,541,616
Notes forming part of accounts	20				

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

for and on behalf of the Board of Directors

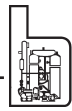
Vemulapati Sridhar
 Proprietor

A. Prathap Reddy
 Managing Director

G. Hemanth Reddy
 Whole-time Director

April 29, 2010
 Hyderabad

Hemish Purushottam
 Company Secretary



CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

Particulars	Schedule	For the year ended 31.03.2010		For the year ended 31.03.2009	
		Rupees	Rupees	Rupees	Rupees
I. INCOME					
Sales	13	2,771,398,171		2,735,852,635	
Less:- Excise Duty		152,439,880	2,618,958,291	218,984,571	2,516,868,064
Other Income	14		14,563,139		28,707,922
Increase / (-) Decrease in stocks	15		27,195,811		4,637,473
TOTAL			2,660,717,241		2,550,213,459
II. EXPENDITURE					
Raw Materials consumed	16		1,464,185,167		1,562,360,015
Manufacturing, selling & Administrative Expenses	17		657,424,991		528,518,924
Interest and Finance Charges	18		97,058,645		101,860,471
Sales Tax \ Value Added Tax			61,579,971		60,176,370
Depreciation	4		68,745,603		48,592,373
Goodwill Written off			2,042,505		2,307,388
TOTAL			2,351,036,882		2,303,815,541
Balance			309,680,359		246,397,918
Prior Period Items (Excess provision of Income Tax written back)			3,639,501		—
Profit before Tax			313,319,860		246,397,918
Provision for:-					
Deferred Tax Liability (Originating during the year)			56,150,070		63,271,793
Provision for Taxation - Current			53,000,000		31,800,000
Fringe Benefit Tax			—	109,150,070	700,000
Profit after tax available for appropriation			204,169,790		150,626,125
Less:- Appropriations					
a. Transfer to General Reserve			21,000,000		12,000,000
b. Proposed Dividend on Equity Shares			16,200,500		12,960,400
c. Dividend Distribution Tax			2,753,275	39,953,775	1,835,520
Balance after appropriations transferred			164,216,015		123,830,205
Balance after Minority Interest in subsidiary			164,216,015		123,830,205
Balance in profit & loss a/c brought forward			506,255,599		382,425,394
Balance carried to Balance Sheet			670,471,614		506,255,599
Earning per share - Basic Rupees (Profit after Tax/No. of Equity Shares)			25.34		19.11
Notes forming part of accounts	20				

As per our report of even date
for **V. Sridhar & Co.,**
Chartered Accountants,
Firm No. 006206S

for and on behalf of the Board of Directors

Vemulapati Sridhar
Proprietor

A. Prathap Reddy
Managing Director

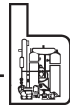
G. Hemanth Reddy
Whole-time Director

April 29, 2010
Hyderabad

Hemish Purushottam
Company Secretary

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

Particulars	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
Schedule 1		
SHARE CAPITAL		
Authorised		
90,00,000 Equity shares of Rs. 10/- each	90,000,000	90,000,000
Issued Subscribed and Paid up		
64,80,200 Equity shares of Rs. 10/- each fully paid up	64,802,000	64,802,000
Total	64,802,000	64,802,000
Schedule 2		
RESERVES & SURPLUS		
Balance of Profit & Loss brought forward	506,255,599	382,425,394
Add current year profit	164,216,015	123,830,205
Total in Profit & Loss Account	670,471,614	506,255,599
State Subsidy	3,000,000	3,000,000
Share Premium Account	56,961,000	56,961,000
Capital Reserves (profit on re-issue of forfeited shares)	620,505	620,505
General Reserve	85,700,000	64,700,000
Total	816,753,119	631,537,104
Schedule 3		
SECURED LOANS		
State Bank of Hyderabad	383,425,119	464,387,058
State Bank of India [Term Loan Secured by first charge on fixed assets of the company, both present and future and mortgage by deposit of the land title deeds]	45,598,014	60,688,672
Bank of Baroda {Term Loan Secured by first charged on Wind Electric Generator}.	25,000,000	—
State Bank of Hyderabad	285,811,521	265,104,884
State Bank of India	213,965,789	209,051,677
ING Vysa Bank Ltd. [Towards working capital limits, secured by way of hypothecation of stocks and book debts and second charge on all fixed assets of the company, both present and future] The above borrowings are also supported by personal guarantee of directors of the company Viz : Sri A. Prathap Reddy, Sri N.Rajeshwar Reddy, Sri D. Ram Reddy and Sri G.Hemanth Reddy .	43,073,865	18,624,500
Total	996,874,308	1,017,856,791

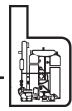


SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

Schedule 4 FIXED ASSETS	(Rupees)									
	GROSS BLOCK			DEPRECIATION				NET BLOCK		
Assets	As at 31.03.2009	Additions	Deletions	As at 31.03.2010	Up to 31.03.2009	For the Period	Up to 31.03.2010	As at 31.03.2009	As at 31.03.2010	
Land	54,803,134	9,851,612	—	64,654,746	—	—	—	54,803,134	64,654,746	
Buildings	117,951,441	75,080,138	—	193,031,579	23,748,024	5,647,658	29,395,682	94,203,417	163,635,897	
Wind Electric Generator	113,315,434	—	—	113,315,434	17,113,640	5,983,055	23,096,695	96,201,794	90,218,739	
Plant & Machinery	621,073,725	386,001,730	—	1,007,075,455	253,229,678	46,036,083	299,265,761	367,844,047	707,809,694	
Plant & Machinery R & D	155,496,179	10,751,151	—	166,247,330	14,122,994	8,299,941	22,422,935	141,373,185	143,824,395	
Furniture & Fixtures	3,979,925	2,335,316	—	6,315,241	1,565,451	301,997	1,867,448	2,414,474	4,447,793	
Office Equipment	6,221,765	582,623	—	6,804,388	2,392,886	416,125	2,809,011	3,828,879	3,995,377	
Vehicle	8,459,157	9,115,170	337,000	17,237,327	4,304,777	1,101,907	5,406,684	4,154,380	12,167,643	
Others	13,524,576	7,674,445	—	21,199,021	(242,399)	958,837	4,517,653	9,965,760	16,681,368	
Total	1,094,825,336	501,392,185	337,000	1,595,880,521	320,036,266	68,745,603	388,781,869	774,789,070	1,207,435,654	

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

Particulars	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
Schedule 5		
INVESTMENTS		
1000 Shares un quoted Rs 100/- each fully paid up in Progressive Effluent Treatment plant Ltd	100,000	100,000
Other Investment		
500 equity shares of Rs.100/- each fully paid up in Solapur Janata Sahakari Bank - unquoted	50,000	50,000
National Saving Certificate	—	121,197
Balaji Greentech Products Ltd.- Equity	29,400,000	29,400,000
Balaji Sourcings Pvt. Ltd. (750000 Equity Shares of Rs. 10/- each amounts to 30% of equity of the company)	7,500,000	6,300,000
Total	37,050,000	35,971,197
Schedule 6		
INVENTORIES		
(As verified, valued and certified by the Management)		
Finished Goods	98,853,776	67,322,081
Stock in process / plant	34,474,997	38,810,881
Raw Materials	116,821,622	174,624,826
Stock at Bonded warehouse	45,171,276	18,875,813
Stores and Spares	18,926,763	20,794,981
Others - Fuel etc.	5,740,472	10,564,716
Total	319,988,906	330,993,298
Schedule 7		
SUNDRY DEBTORS		
(Unsecured; considered good)		
Over Six months	21,549,604	—
Others	645,760,633	585,095,267
Total	667,310,237	585,095,267
Schedule 8		
CASH AND BANK BALANCES		
Cash on hand	114,778	302,562
Cash with schedule banks -		
In current accounts	761,436	1,810,364
In margin money account	35,334,805	21,579,696
Total	36,211,019	23,692,622

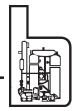


SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

Particulars	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
Schedule 9 OTHER CURRENT ASSETS		
Deposit with Government Departments	8,587,030	5,910,980
Other Deposits	1,063,323	859,791
Total	9,650,353	6,770,771
Schedule 10 LOANS & ADVANCES (Unsecured : considered good)		
Advances to employees	1,325,053	1,069,541
Advances recoverable in cash or in kind or for value to be received	90,250,360	68,799,149
Advances to suppliers	106,431,459	15,504,161
Advance Taxes	43,741,839	23,185,134
Total	241,748,711	108,557,985
Schedule 11 CURRENT LIABILITIES		
Creditors for raw materials	272,194,916	193,291,462
Advances from Customers	3,748,745	2,995,787
Creditors for expenses	45,597,673	39,169,744
Retention Money from Machinery Suppliers	2,560,168	15,504,295
Total	324,101,502	250,961,288
Schedule 12 PROVISIONS		
Income Tax	53,000,000	32,152,356
Fringe Benefit Tax	—	753,117
Proposed Dividend	16,200,500	12,960,400
Dividend Distribution Tax	2,753,278	1,835,520
Total	71,953,778	47,701,393

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

Particulars	For the year ended 31.03.2010 Rupees	For the year ended 31.03.2009 Rupees
Schedule 13		
SALES		
Aliphatic Amines , Derivatives, Natural Products & Export Benefits	2,771,398,171	2,735,852,635
Total	<u>2,771,398,171</u>	<u>2,735,852,635</u>
Schedule 14		
OTHER INCOME		
Interest	1,438,234	2,519,410
Insurance Claim	134,708	505,109
Foreign Exchange Fluctuations	—	12,191,988
Income from WEG	12,929,657	12,726,809
Profit on Sale of Land	—	295,090
Misc.Income	60,540	469,516
Total	<u>14,563,139</u>	<u>28,707,922</u>
Schedule 15		
INCREASE / (-) DECREASE IN STOCK		
Opening Stock		
Finished goods	67,322,081	53,237,531
Stock in process / plant	38,810,881	48,257,958
Total	<u>106,132,962</u>	<u>101,495,489</u>
Closing stock		
Finished goods	98,853,776	67,322,081
Stock in process / plant	34,474,997	38,810,881
Total	<u>133,328,773</u>	<u>106,132,962</u>
Increase / Decrease in Stock	27,195,811	4,637,473
Schedule 16		
RAW MATERIAL CONSUMED		
Opening Stock	174,624,826	184,610,720
Add : Purchases	1,406,381,963	1,552,374,121
Sub Total	<u>1,581,006,789</u>	<u>1,736,984,841</u>
Less : Closing stock	116,821,622	174,624,826
Consumed	<u>1,464,185,167</u>	<u>1,562,360,015</u>

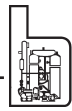


SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

Particulars	For the year ended 31.03.2010 Rupees	For the year ended 31.03.2009 Rupees
Schedule 17		
MANUFACTURING, SELLING & ADMINISTRATION EXPENSES		
Salaries, Wages & Other employee benefits	59,179,848	46,974,436
Bonus	3,710,143	2,922,533
Gratuity and provident fund (Including Directors)	5,198,099	4,679,707
Employees Group Insurance	2,981,703	2,694,317
Directors Group Insurance	62,821	77,671
Remuneration to Directors including allowances	5,250,000	4,950,000
Commission to Directors	25,426,046	22,212,914
Stores & Spares & Packing Materials	110,305,792	72,394,530
Power & Fuel	284,872,625	230,745,692
Repairs & Maintenance - Plant & Machinery	8,286,829	5,270,168
Repairs & Maintenance - Wind Electric Generator	306,461	116,303
Rent, Rates & Taxes	3,500,474	5,718,781
Insurance	3,232,223	2,763,885
Carriage Outward	76,089,849	62,053,303
Others	68,362,683	64,298,139
Remuneration to Auditors		
As auditors	546,545	546,545
Towards certification and other services	112,850	100,000
Total	657,424,991	528,518,924
Schedule 18		
INTEREST & OTHER CHARGES		
Interest	85,171,734	89,021,786
Bank Charges	9,368,861	8,432,285
Processing charges	2,518,050	4,406,400
Total	97,058,645	101,860,471

NOTES ON ACCOUNTS IN CASE OF CONSOLIDATED BALANCE SHEET**Schedule 20****NOTES FORMING PART OF ACCOUNTS**

1. (A) **Accounting convention:** The accompanying financial statements are prepared in accordance with historical cost convention.
- (B) **Fixed Assets and Depreciation:** Fixed assets are stated at cost, less depreciation provided on straight line basis at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. In respect of additions made during the year, depreciation is provided on pro-rata basis. Fixed assets of subsidiary company Bhagyanagar Chemicals Limited are depreciated on written down value basis at the rates and in the manner specified in schedule-XIV.
- (C) **Investments:** Investments are stated at cost of acquisition.
- (D) **Inventories:**
 - a) Finished goods including R & D products are valued at lower of cost or Net Realizable Value. Cost for this purpose is arrived at on absorption costing basis.
 - b) Stock in process/plant is valued at cost.
 - c) Stock of raw materials, Stores and Spares and packing materials are valued at cost.
- (E) **Staff Benefits :**
 - a. Provident Fund Contributions are accounted on accrual basis.
 - b. The company has taken a policy of Group Gratuity Scheme of LIC. All contributions made under the scheme are charged to revenue.
- (F) **Research and Development:** Revenue expenditure on Research and Development is charged to profit and loss account in the year in which it is incurred. Capital expenditure on research and development is treated at par with fixed assets and depreciated as such under the Companies Act, 1956.
- (G) **Deferred Taxation:** Accounting treatment in respect of deferred taxation is in accordance with Accounting Standard 22 - "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India.
- (H) **Sales Tax Benefits:** Shortfall / increase in sales tax benefits accruing to the company are accounted for in the year in which the final assessment by the concerned authorities is completed.
- (I) **Borrowing Costs:** Costs in respect of borrowings for the purpose of expansion / additional fixed investments including R & D projects, till such assets are put to use, are capitalized to such investments.
- (J) **Foreign Currency Transactions:** Foreign Exchange Transactions are recorded at pre-determined standard exchange rates which are reviewed periodically. Gains or losses arising out of such periodic revisions of such standard rates and also on realization are accounted for accordingly.



- (K) **Amortization of Goodwill:** The Goodwill arising out of the consolidation of the financial statements of the holding and subsidiary companies is written off in five equal annual installments commencing from the financial year 2005-06.
2. In accordance with the General Clarification (GC) - 5/2002 Accounting Standards-21 Consolidated financial statements issued by The Institute of Chartered Accountants of India, additional statutory information disclosed in the separate financial statements of the subsidiary and /or parent company having no bearing on the true and fair view of the consolidated financial statements is not again disclosed in the consolidated financial statements.
 3. Previous year's figures have been recast wherever considered necessary.

Signatories to Schedules 1 to 20

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

Vemulapati Sridhar
Proprietor

April 29, 2010
Hyderabad

for and on behalf of the Board of Directors

A. Prathap Reddy
Managing Director

G. Hemanth Reddy
Whole-time Director

Hemish Purushottam
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

(Rupees in lacs)

Particulars	For the year ended 31.03.2010	For the year ended 31.03.2009
A. Cash flows from operating activities		
Profit before interest and tax, after prior period items	4103.78	3482.58
Less : Other income considered	(145.63)	(287.08)
Add : Depreciation	687.46	485.92
Add : Increase in Current Liabilities	731.40	(843.38)
Add : Decrease in Inventories	110.04	31.39
Less : Increase in Sundry Debtors	(822.15)	92.32
Less : Increase in Other Current Assets, Loans & Advances	(1360.70)	355.14
Less : Income tax, FBT & dividend distribution tax	(347.40)	(240.72)
ADD: Goodwill written off (Non cash charge)	20.42	23.07
Cash flow from Operating Activities	<u>2977.20</u>	<u>3098.74</u>
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets	(1673.49)	(4124.48)
Difference in Fixed Assets	(3.37)	—
Long term investments made	(10.78)	(297.07)
Other Income	145.63	287.08
Cash flow from Investing activities	<u>(1542.01)</u>	<u>(4134.40)</u>
C. Cash Flow from Financing Activities		
Secured loans	(209.82)	1837.12
Interest paid	(970.59)	(1018.60)
Dividend	(129.60)	(97.20)
Cash Flow from Financing Activities	<u>(1310.01)</u>	<u>721.32</u>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	125.18	-314.41
Cash and cash equivalents (beginning of the year)	236.93	551.34
Cash and cash equivalents (end of the year)	362.11	236.93

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

for and on behalf of the Board of Directors

Vemulapati Sridhar
 Proprietor

A. Prathap Reddy
 Managing Director

G. Hemanth Reddy
 Whole-time Director

April 29, 2010
 Hyderabad

Hemish Purushottam
 Company Secretary

Statement Pursuant To Section 212 Of The Companies Act, 1956

1.	Name of the Subsidiary Company	:	Bhagyanagar Chemicals Limited
2.	Financial period ended	:	31st March, 2010
3.	Holding company's interest as at March 31, 2010	:	100% in equity shares
4.	Net aggregate profits / (losses) of the subsidiary for the current period so far as it concerns the members of the holding company		Rs.
	a. Dealt with or provided for in the In the accounts of the holding Company	:	NIL
	b. Not dealt with or provided for in the In the accounts of the holding Company since it became subsidiary	:	(2,82,355)
5.	The net aggregate of profits or losses for previous Financial years of the subsidiary so far as it concerns The members of the holding company.		Rs.
	a. Dealt with or provided for in the In the accounts of the holding Company	:	NIL
	b. Not dealt with or provided for in the In the accounts of the holding Company since it became subsidiary	:	(615,061)

NOTE: Bhagyanagar Chemicals Limited become Wholly owned subsidiary of Balaji Amines Limited in the last week of February, 2009.

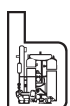
for and on behalf of the Board of Directors

A. Prathap Reddy
 Managing Director

G. Hemanth Reddy
 Whole-time Director

April 29, 2010
 Secunderabad

Hemish Purushottam
 Company Secretary



BHAGYANAGAR CHEMICALS LIMITED

**22ND ANNUAL REPORT
2009-2010**

BOARD OF DIRECTORS

Sri. A. Prathap Reddy
Director

Sri. G. Hemanth Reddy
Director

Smt. A. Shakuntala Devi
Director

AUDITORS

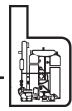
V. Sridhar & Co.
Chartered Accountants
Hyderabad

REGISTERED OFFICE

III Floor, KPR House
Sardar Patel Road
Secunderabad - 500 003 (A.P.)

FACTORY

Plot No. 5
Beside APSEB Sub Station - II
IDA, Bollaram-502 325
Medak District (A.P.)



DIRECTORS' REPORT

To
The Members
Of **Bhagyanagar Chemicals Limited**

Your Directors have pleasure in presenting the 22nd Annual Report together with Audited Accounts of the company for the year ended 31.03.2010

FINANCIAL RESULTS

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

(Rs)

S.No.	Particulars	Year ended March 31, 2010 Rs.	Year ended March 31, 2009 Rs.
1.	Income	1,20,000	1,20,000
2.	Expenditure	4,02,355	4,52,706
3.	Profit /(Loss)Before tax	(-)2,82,355	(-)3,32,706
4.	Provision for income tax	—	—
5.	Profit /(Loss) after tax	(-)2,82,355	(-)3,32,706
6.	Balance Profit/(Loss) brought forward	(-)1,60,82,754	(-)1,57,50,048
7.	Balance carried forward to Balance sheet	(-)1,63,65,109	(-)1,60,82,754

OPERATIONS

There are no operations carried on by the company and the undertaking of the company continues to be leased with Balaji Amines Limited.

Dividend

In view of the loss sustained by the company, the directors do not recommend any dividend for the financial year 2009-2010.

DIRECTORS

During the year there were no changes in the Composition of the Board:

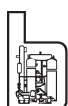
Sri A. Prathap Reddy, Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

HOLDING COMPANY

Your company has become the wholly owned subsidiary company of M/s. Balaji Amines Limited during the financial year 2008-09.

FIXED DEPOSITS

The company has neither accepted nor renewed any deposits falling within the purview of Section 58A of the companies Act, 1956 read with the companies (Acceptance of deposits) Rules, 1975 from the public during the year under review.



AUDITORS

Your Company's Auditors, M/s V Sridhar & Co., Chartered Accountants retire at the conclusion of ensuing Annual General Meeting & being eligible, offer himself for pre-appointment. He has furnished a certificate stating that his re-appointment, if made, will be within the limits laid down under Section 224(1B) of the Companies Act, 1956. The Board recommends his re-appointment for the FY 2010 -11.

COMPLIANCE CERTIFICATE

A copy of the Compliance Certificate as per the provisions of section 383A of the Companies Act, 1956 issued by M/s. P.S Rao & Associates, Practising Company Secretaries is annexed hereto for the information of the Members.

ENERGY CONSERVATION, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company does not carry out any commercial operations; the details regarding Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo are given in the annexure attached herewith.

DIRECTOR'S RESPONSIBILITY STATEMENT

As required under section 217(2AA) of the Companies Act, 1956, your Directors state that:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- b) The accounting policies selected and applied are consistent and judgments and estimates made are reasonable and prudent, so as to give a true and fair view of the affairs of the Company as at end of the financial year and of loss for the said year.
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) The annual accounts have been prepared on a going concern basis.

EMPLOYEES

There are no employees whose particulars are required to be disclosed in the Directors Report as per the provisions of section 217(2A) of the Companies Act, 1956.

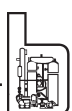
APPRECIATION:

The Directors would also like to record their sincere thanks to the Company's bankers, Central and State Government officials, customers, vendors, employees and the shareholders for their continued support and co-operation.

for and on behalf of the Board of Directors

A. PRATHAP REDDY
CHAIRMAN

April 29, 2010
Secunderabad



ANNEXURE TO THE DIRECTOR'S REPORT

**PARTICULARS REQUIRED UNDER
THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT
OF BOARD OF DIRECTORS) RULES, 1988**

A. CONSERVATION OF ENERGY

- (a) Energy Conservation Measures taken - NIL
- (b) Additional Investments and Proposals for Reduction of Consumption of Energy - NIL
- (c) Impact of the above measures - NIL
- (d) Total Energy Consumption and energy Consumption per unit of production - NIL

B. TECHNOLOGY ABSORPTION (ENCLOSED IN FORM B)

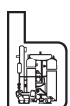
Efforts made in technology absorption - NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO - NIL

for and on behalf of the Board of Directors

A. PRATHAP REDDY
CHAIRMAN

April 29, 2010
Secunderabad



FORM
(See Rule 3)

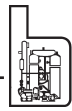
COMPLIANCE CERTIFICATE

Reg. No. of the Company: 01- 09027
Authorised Capital : **Rs.1,50,00,000/-**
Paid-up Capital : **Rs.1,30,00,000/-**

To
The Members
BHAGYANAGAR CHEMICALS LIMITED
3rd Floor, K P R House,
S P Road, Secunderbad-500003

We have examined the registers, records, books and papers of **BHAGYANAGAR CHEMICALS LIMITED** as required to be maintained under the Companies Act, 1956, and the Rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial Year ended 31st March, 2010. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, and its officers, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure A to this certificate, for the financial year 2009-10, as per the provisions and the rules made thereunder and all entries therein have been recorded for the said period.
2. The Company has filed the forms and returns as stated in Annexure B to this certificate, with the Registrar of Companies, A.P.
3. The Company being a Public Limited Company has the minimum prescribed paid up capital.
4. The Board of Directors met four times on 24.04.2009, 23.07.2009, 26.10.2009, and 27.01.2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The company was not required to close its Register of Members during the financial year under review.
6. The Annual General Meeting of the Company for the financial year ended on 31st March, 2009 was held on 10.06.2009 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra-ordinary General Meeting was held during the financial year under scrutiny.
8. The Company has not advanced any loans to its Directors falling within the purview of Section 295 of the Act
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act during the financial year under scrutiny.
10. The Company has made necessary entries in the registers maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, during the financial year under scrutiny, the company has not obtained any approval from the Board of Directors, members and previous approval of the Central Government.
12. The Company has not issued any duplicate share certificates during the financial year 2009-10.
13.
 - i) The Company has not made any allotment / transfer / transmission of Securities during the financial year under review.
 - ii) The Company has not deposited any amount in a separate Bank account as no dividend was declared during the financial year.
 - iii) The Company has not posted warrants to any member of the Company as no dividend was declared during the financial year.
 - iv) There were no amounts lying with the Company in unpaid dividend account or any application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years or more.

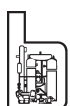


- v) The Company has complied with requirements of Section 217 of the Act.
14. The Board of Directors is constituted. Smt Shakuntala Devi was appointed as Director in the AGM held on 10.06.2009. There were no other instances of appointment of directors, additional directors, alternate directors and directors to fill casual vacancies during the financial year 2009-10
 15. The Company has not appointed any Whole-time Director / Managing Director / Manager during the financial year 2009-10.
 16. The Company has not appointed any sole-selling agents during the financial year 2007-08
 17. There were no instances wherein the Company has obtained any approval from the Central Government, Company Law Board, Regional Director, Registrar or such other authorities, under the provisions of the Act during the financial year under scrutiny.
 18. The Directors disclosed their interest in other firms/Companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder during the year under review.
 19. The Company has not issued / allotted any shares during the financial year under review.
 20. The Company has not bought back any shares during the financial year under review.
 21. There was no redemption of preference shares / Debentures during the year under review.
 22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
 23. The Company has not invited any deposits falling within the purview of Section 58A during the year under review.
 24. The Company has not borrowed any amount from its Directors, members, public, financial institutions, banks and others the financial year, falling within the purview of section 293(1)(d) of the Act.
 25. The Company has not given any loans to / made investments in other body corporates during the year under review pursuant to the provisions of section 372A of the Companies Act, 1956
 26. The Company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under review.
 27. The Company has not altered the provisions of the memorandum with respect to the objects of the company during the year under review.
 28. The Company has not altered the provisions of the memorandum with respect to name of the Company during year under review.
 29. The Company has not altered the provisions of the memorandum with respect to share capital during the year under scrutiny.
 30. The Company has altered its Articles of Association after obtaining approval of members in the Annual General Meeting held on 10.06.2009 by adopting new set of Articles and the new articles of association have been duly registered with the Registrar of Companies.
 31. As per the information given by the Directors, there were no prosecutions initiated against or show cause notices received by the company during the financial year for offences under the Act.
 32. The company has not received any money as security from its employees during the financial year.
 33. The provisions of Section 418 of the Companies Act, 1956 are not applicable to the Company.

For P.S. Rao & Associates
Company Secretaries

P.S. Rao
Company Secretary
C.P. No.:3829

Place : Hyderabad
Date : 29.04.2010



ANNEXURE - A

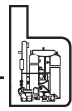
STATUTORY REGISTERS AS MAINTAINED BY THE COMPANY DURING THE YEAR.

1. Register of Directors' U/s 303
2. Register of Directors' Shareholdings U/s 307
3. Register of Members U/s 150
4. Minutes of Board Meetings U/s 193
5. Minutes of Annual and Extra-Ordinary General Meetings U/s 193
6. Register of contracts, firms and Companies in which Directors are interested U/s 301(3)
7. Register of Contracts U/s 301(1)
8. Register of Charges U/s 143

ANNEXURE - B

FORMS AND RETURNS FILED DURING THE YEAR.

1. Balance Sheet as at 31st March, 2009 U/s 220 of the Act filed on 03.08.2009
One Time Additional Fee.
2. Annual Return as on 10.06.2009 filed U/s 159 of the Act on 03.08.2009
Normal Fee
3. Compliance Certificate for the FY 2008 - 09 U/s 383 A of the Act filed on 15.07.2009
One Time Additional Fee
4. Form No.23 U/s 192 in connection with Adoption of new set of Articles of Association
in the AGM held on 10.06.2009 filed on 03.08.2009
One Time Additional Fee
5. Form No.32 U/s 303(2) in connection with appointment of Smt. Shakuntala Devi as
Director in the AGM held on 10.06.2009 filed on 03.08.2009
One Time Additional Fee



AUDITORS' REPORT

To

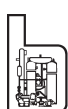
the Members of **Bhagyanagar Chemicals Limited**

1. We have audited the attached Balance Sheet of Bhagyanagar Chemicals Limited, as at March 31, 2010, the Profit and Loss account and also the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to the comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books
 - (iii) The balance sheet and the profit and loss account dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the balance sheet and the profit and loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors, as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the balance sheet, of the state of affairs of the company as at March 31, 2010,
 - (b) in the case of the profit and loss account, of the **Loss** for the year ended on that date, and
 - (c) In the case of the cash flow statement, of the cash flows of the company for the year ended on that date.

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

Vemulapati Sridhar
Proprietor
Membership No.202337

April 29, 2010.
Hyderabad

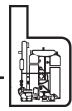


ANNEXURE TO THE AUDITORS' REPORT

Re: Bhagyanagar Chemicals Limited

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

- (i) (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The undertaking of the company is on a long term lease to Balaji Amines Limited, the hundred percent holding company. We are informed that as per the terms and conditions of the lease the fixed assets are the responsibility of the lessor viz. Balaji Amines Limited, during the tenure of the lease. The lessor has certified that the physical verification of the fixed assets has been conducted at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) The company has not disposed off any part of its assets during the year under review.
- (ii) The company did not carry any inventory.
- (iii) (a) The company had taken an unsecured loan from its 100% holding company Balaji Amines Limited in an earlier year. The maximum amount involved during the year and the year-end balance of the said loan is Rs.84.21 lacs. The company has not granted any loans.
- (b) The said loan is interest free and in our opinion, the rate of interest and other terms and conditions on which the loan has been taken are not, prima facie, prejudicial to the interest of the company.
- (c) The payment by the company in respect of the loan is as per the terms agreed by the parties.
- (d) There is no overdue amount in respect of the loans taken and the amounts outstanding, as per information and explanations given to us the repayments are as per the terms of agreement/ understanding between the parties.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
- (v) The company has not entered into any transactions that need to be entered in the register maintained in pursuance of section 301 of the Companies Act, 1956. The lease of the undertaking of the company to its holding company entered into in an earlier year is continued in the year under review also as per the terms of lease.
- (vi) The company has not accepted deposits within the meaning of section 58A of the Companies Act, 1956.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has not prescribed maintenance of cost records to the company.
- (ix) (a) During the year under review the company did not have any employees. The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at March 31, 2010 for a period of more than six months from the date they became payable.
- (x) The company has accumulated losses at the end of the financial year amounting to more than 50% of its net worth. However it has not incurred cash losses either in the year ended March 31, 2010 or in the previous year.
- (xi) The company does not have any borrowings from financial institutions or banks. The company did not raise monies through debentures.

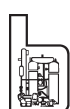


- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a chit fund or a nidhi / mutual benefit fund / society.
- (xiv) The company is not dealing in or trading in shares, securities, debentures and other investments.
- (xv) According to information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xvi) The company has not obtained any term loans during the year under review.
- (xvii) The company has not raised any funds short term or long term, during the year.
- (xviii) The company has not made any preferential allotments during the year under review.
- (xix) The company has not issued any debentures.
- (xx) The company has not raised any monies from public issue during the year under review.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

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

Vemulapati Sridhar
Proprietor
Membership No.202337

April 29, 2010.
Hyderabad.

**BALANCE SHEET AS AT MARCH 31, 2010**

Particulars	Schedule	As at 31.03.2010		As at 31.03.2009	
		Rupees	Rupees	Rupees	Rupees
I. SOURCES OF FUNDS					
1. Shareholders' Funds					
Share Capital	1		1,30,00,000		1,30,00,000
2. Loan Funds					
a. Secured Loans			—		—
b. Unsecured Loans			84,21,218		84,21,218
TOTAL			2,14,21,218		2,14,21,218
II. APPLICATION OF FUNDS					
1. Fixed Assets	6				
a. Gross Block			2,09,39,178		2,09,39,178
b. Less : Depreciation			1,66,86,001		1,63,00,191
c. Net Block			42,53,177		46,38,987
2. Investments			1,00,000		1,00,000
3. Current Assets, Loans and Advances					
a. Inventories			—		—
b. Sundry debtors	2		5,68,258		4,64,803
c. Cash and Bank balances	3		5,081		5,081
d. Loans and advances	4		1,46,138		1,46,138
Total (A)			7,19,477		6,16,022
Less : Current Liabilities and Provisions	5				
a. Current liabilities			—		—
b. Provisions			16,545		16,545
Total (B)			16,545		16,545
Net Current Assets (A-B)			7,02,932		5,99,477
4. Miscellaneous Expenditure (to the extent not written off or adjusted).					
a. Profit and Loss Account			1,63,65,109		1,60,82,754
TOTAL			2,14,21,218		2,14,21,218
5. Notes forming part of accounts	8				

As per our report of even date
for **V. Sridhar & Co.**,
Chartered Accountants,
Firm No. 006206S

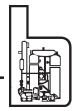
for and on behalf of the Board of Directors

Vemulapati Sridhar
Proprietor
Membership No.202337

A. Prathap Reddy
Chairman

G. Hemanth Reddy
Director

April 29, 2010
Hyderabad.



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

Particulars	Schedule	For the year ended 31.03.2010 Rupees	For the year ended 31.03.2009 Rupees
I. INCOME			
Lease rentals		1,20,000	1,20,000
Total		1,20,000	1,20,000
II. EXPENDITURE			
a. Administrative & other expenses	7	16,545	16,545
b. Depreciation	6	3,85,810	4,36,161
Total		4,02,355	4,52,706
Loss before tax		(-)2,82,355	(-)3,32,706
Provision for Income-tax		—	—
Loss after tax		(-)2,82,355	(-)3,32,706
Balance in Profit & Loss account brought forward		(-)1,60,82,754	(-)1,57,50,048
Balance carried forward to Balance sheet		(-)1,63,65,109	(-)1,60,82,754
Notes forming part of Accounts	8		

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

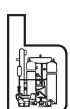
for and on behalf of the Board of Directors

Vemulapati Sridhar
Proprietor
Membership No.202337

A. Prathap Reddy
Chairman

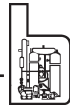
G. Hemanth Reddy
Director

April 29, 2010
Hyderabad



SCHEDULES TO THE BALANCE SHEET & PROFIT & LOSS ACCOUNT

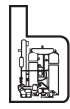
Particulars	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
Schedule 1		
SHARE CAPITAL		
Authorized		
15,00,000 equity shares of Rupees 10/- each	<u>1,50,00,000</u>	<u>1,50,00,000</u>
Issued, subscribed and paid up		
13,00,000 equity shares of Rupees 10/- each fully paid-up	<u>1,30,00,000</u>	<u>1,30,00,000</u>
Schedule 2		
SUNDRY DEBTORS		
(Unsecured, considered good)		
Outstanding for more than 6 months	<u>5,68,258</u>	4,04,803
Other Debts	—	60,000
Total	<u>5,68,258</u>	<u>4,64,803</u>
Schedule 3		
CASH & BANK BALANCES		
Cash on hand	—	—
Cash at Banks (in Scheduled banks, in current accounts)	<u>5,081</u>	5,081
Total	<u>5,081</u>	<u>5,081</u>
Schedule 4		
LOANS & ADVANCES		
Loans & Advances	<u>1,46,138</u>	1,46,138
Total	<u>1,46,138</u>	<u>1,46,138</u>
Schedule 5		
CURRENT LIABILITIES & PROVISIONS		
Liabilities		
Total	—	—
Provisions		
Audit fee	<u>16,545</u>	16,545
Total	<u>16,545</u>	<u>16,545</u>



SCHEDULES TO THE BALANCE SHEET & PROFIT & LOSS ACCOUNT

**Schedule 6
FIXED ASSETS**

PARTICULARS	GROSS BLOCK		DEPRECIATION			NET BLOCK		
	As at 31.03.2009	Additions/ deletions	As at 31.03.2010	Up to 31.03.2009	For the period	Upto 31.03.2010	As at 31.03.2009	As at 31.03.2010
1. Land	4,33,397	—	4,33,397	—	—	—	4,33,397	4,33,397
2. Buildings	45,63,895	—	45,63,895	23,17,337	1,12,328	24,29,665	22,46,558	21,34,230
3. Plant & Machinery	1,55,01,993	—	1,55,01,993	1,36,00,309	2,64,524	1,38,64,833	19,01,684	16,37,160
4. Office equipment	38,843	—	38,843	28,702	1,836	30,538	10,401	8,305
5. Furniture & Fixtures	71,445	—	71,445	58,184	2,400	60,584	13,261	10,861
6. Others	3,29,605	—	3,29,605	2,95,659	4,722	3,00,381	33,946	29,224
	2,09,39,178	—	2,09,39,178	1,63,00,191	3,85,810	1,66,86,001	46,38,987	42,53,177

**SCHEDULES TO THE BALANCE SHEET & PROFIT & LOSS ACCOUNT**

Particulars	For the year ended 31.03.2010 Rupees	For the year ended 31.03.2009 Rupees
SCHEDULE 7 ADMINISTRATIVE AND OTHER EXPENSES		
Remuneration to Auditors	16,545	16,545
Total	16,545	16,545

SCHEDULE 8 : NOTES ON ACCOUNTS
1. SIGNIFICANT ACCOUNTING POLICIES
a) GENERAL

Financial Statements are prepared under Historical cost basis and as a going concern.

b) FIXED ASSETS AND DEPRECIATION

Fixed Assets are stated at their cost of acquisition less depreciation charged on Written Down Value Basis at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

c) INVESTMENTS

Investments are stated at cost.

d) DEFERRED TAXATION

In view of the uncertainty in realization of adequate profits in the coming years from the present scale of operations of the company no effect is given in respect of deferred taxation as per AS 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India.

e) INCOME AND EXPENDITURE

Income and expenditure are accounted on accrual basis.

	2009-10	2008-09
2. Managerial Remuneration	Nil	Nil
3. Auditors' Remuneration	Rs. 16,545	Rs. 16,545

4. Related Party Transaction :

Name of the Company	Nature of Transaction	Amount (Rs. In Lacs)
Balaji Amines Limited (Holding company)	Lease rent received	1.20
Balaji Amines Limited (Holding company)	Loan Taken	(84.21)

5. In view of the undertaking of the company being on lease the disclosure requirements of quantitative particulars under Part II Schedule VI to the Companies Act, 1956 are not applicable.
6. The company did not employ any personnel during the year and as such did not incur any expenditure on employees.
7. Amount due for more than 30 days to Small Scale Industrial undertakings where such dues exceeds Rs. 1.00 Lakhs are: NIL.
8. Foreign Exchange Transactions - NIL -.
9. Previous Year's figures are re-grouped wherever considered necessary

As per our report of even date

for V. Sridhar & Co.,
Chartered Accountants,
Firm No. 006206S

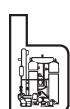
for and on behalf of the Board of Directors

Vemulapati Sridhar
Proprietor
Membership No.202337

A. Prathap Reddy
Chairman

G. Hemanth Reddy
Director

April 29, 2010
Hyderabad

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2010****(Amount in Rs.)**

Particulars	For the year ended 31.03.2010	For the year ended 31.03.2009
A. Cash flows from operating activities		
Net loss before tax	(-)2,82,355	(-)3,32,706
Less : Interest income considered	—	—
Add : Depreciation & non cash charges	3,85,810	4,36,161
Less : Decrease in Current Liabilities	—	(-) 309
Less : Increase in Debtors	(-)1,03,455	(-)1,03,146
Add : Decrease in Other Current Assets, Loans & Advances	—	—
Cash flow from Operating activities (A)	—	—
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets	—	—
Interest income received	—	—
Cash flow from Investing activities (B)	—	—
C. Cash Flow From Financing Activities		
Repayment of loans unsecured	—	—
Cash flow from Financing activities (C)	—	—
Net increase/(decrease) in cash and cash equivalents (A + B + C)	—	—
Cash and cash equivalents (beginning of year)	5,081	5,081
Cash and cash equivalents (end of year)	5,081	5,081

As per our report of even date
for **V. Sridhar & Co.**,
Chartered Accountants,
Firm No. 006206S

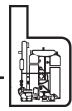
for and on behalf of the Board of Directors

Vemulapati Sridhar
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A. Prathap Reddy
Chairman

G. Hemanth Reddy
Director

April 29, 2010
Hyderabad



**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
AS PER PART IV THE SCHEDULE VI OF THE COMPANIES ACT, 1956**

I. Registration Details

Registration Number : 09027 State code 01
Balance Sheet Date : 31.03.2010

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

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

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

Total Liabilities 21421.22 **Total Assets** 21421.22

Sources of Funds

Paid up capital 13000.00 Reserves and Surplus 0.00
Secured loans 0.00 Unsecured Loans 8421.22

Application of funds

Net Fixed Assets 4253.17
Net Current Assets 702.93 Investments 100.00
Miscellaneous Expenditure Nil
Accumulated Losses 16365.10

IV. Performance of the Company (Amount in Rupees Thousands)

Turnover 120.00 **Total expenditure** 402.55
(+) Profit / (-) Loss Before Tax -282.35 (+) Profit / (-) Loss After Tax -282.35
Earning per share (Rupees) — Dividend % —

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

for and on behalf of the Board of Directors

Vemulapati Sridhar
Proprietor
Membership No.202337

A. Prathap Reddy
Chairman

G. Hemanth Reddy
Director

April 29, 2010
Hyderabad

FORM FOR ECS MANDATE / BANK MANDATE

Sathguru Management Consultants Private Limited
A/C BALAJI AMINES LIMITED
 Plot No. 15, Hindi Nagar,
 Punjagutta,
 Hyderabad - 500 034

Dear Sir,

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

- Credit my dividend amount directly to my Bank Account as per details furnished below by Electronic Clearing Services (ECS) - ECS Mandate.*
- Print the details of my Bank account as furnished below, on my dividend warrant which will be mailed to me- Bank Mandate*
 (* Strike out whichever is not applicable)

Folio No.....

DP ID.....

(For Shares held in physical form)

Client ID.....

- | | |
|---|-------|
| A. Name of First holder | |
| B. Bank Name | |
| C. Branch Name | |
| D. Branch Address (for ECS Mandate only) | |
| E. Bank Account Number | |
| F. Account Type (Saving / Current) | |
| G. 9 Digit Code Number of the bank & branch | |

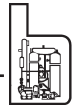
Appearing on the MICR cheque
 (for ECS Mandate only)

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

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

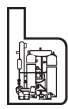
Note: Please attach a blank cancelled cheque or a photocopy of a cheque issued by your Bank relating to your above account.





Balaji AMINES LTD.

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BALAJI AMINES LIMITED

Regd. Office: 165-A, Balaji Bhavan, Railway Lines,
Solapur – 413 001.

FORM OF PROXY

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

I/We.....

of

being a member/members of M/s. BALAJI AMINES LIMITED hereby appoint.....

of.....

.....or failing him.....

.....of.....

as my/our proxy to vote for me/us and on my / our behalf of as indicated below at the 22nd Annual General Meeting of the Company to be held on Wednesday, 8th day of September 2010 at 11:30 a.m. and at any adjournment thereof at the Registered Office of the Company.

Agenda Item	Vote *	Agenda Item	Vote*
No.1		No.2	
No.3		No.4	
No.5		No.6	
No.7		No.8	
No.9		No.10	
No.11			

Affix
Re.1/-
Revenue
Stamp

Signed this the day of 2010.

Signature of the Member

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

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

BALAJI AMINES LIMITED

Regd. Office: 165-A, Balaji Bhavan, Railway Lines,
Solapur – 413 001.

ATTENDANCE SLIP

DP. Id No :

Master Folio No :

Client Id :

No.of Shares :

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the 22nd Annual General Meeting of the Company, being held on Wednesday, 8th day of September 2010 at 11:30 a.m. at the Registered Office of the Company.

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

