

# BALAJI AGRO OILS LIMITED



**28th Annual Report**

**2021-2022**

Board of Directors

**Sri VALLABHANENI VENKATRAMAIAH**

Chairman

**Sri VALLABHANENI BALAJI**

Jt. Managing Director

**Sri VALLABHANENI SURAJ KUMAR**

Jt. Managing Director

**Smt VALLABHANENI SANGEETHA**

Women Director

**Sri K. NAGENDRA BABU**

Director

**Sri G.BAPUJI**

Director

**Sri K. KOTESWARA RAO**

Director

**Sri G. RAMESH BABU**

Director

**SRIDEVI CHINTADA**

Company Secretary

Bankers

HDFC Bank, Benz Circle, M.G.Road, Vijayawada

Auditors

Polavarapu Janardhan

Chartered Accountant

# 29-4-54K, Upstairs of IOB, CSI Complex,

Ramachandra Rao Road, Governorpet, Vijayawada - 520 002

Share Transfer Agent

M/s. XL Softech Systems Limited.,

3, Sagar Society, Road No. 2

Banjara Hills, Hyderabad. Ph : 040-23545913

Registered Office

D.No. 74-2-19, Old Check Post Centre,

Vijayawada - 520 007.

Factory At

Davuluru

Kankipadu Mandal, Krishana District. Ph : 0866-2822672

**BALAJI AGRO OILS LIMITED**

Regd. Office: 74-2-19, Old Check Post Centre,  
Krishna Nagar, Vijayawada - 520007.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 28<sup>th</sup> Annual General Meeting of the members of **Balaji Agro Oils Limited (L15143AP1994PLC017454)** will be held on Friday, the 30<sup>th</sup> day of September, 2022 at 11.00 AM at the Registered Office of the Company situated at Door. No. 74-2-19, Old Check Post Centre, Krishna Nagar, Vijayawada - 520007, to transact the following Business:

Ordinary Business:

1. To receive, consider and adopt the Audited Statements of Profit & Loss for the year ended 31<sup>st</sup> March 2022 and the Balance Sheet as on that date together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Sri Vallabhaneni Venkataramaiah (DIN No. 00227148) who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time and pursuant to the recommendation of Audit Committee and Board of Directors of the Company, M/s. Suresh and Babu, Chartered Accountants, Firm Registration No. 0042548, who have offered themselves for appointment and confirmed their eligibility under relevant provisions of Chapter X of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, be and are hereby appointed as Statutory Auditors of the Company in place of retiring Statutory Auditors Sri. P. Janardhan, Chartered Accountant (Membership No. 26498), for a period of 5 (five) years who shall hold office until the conclusion of 33<sup>rd</sup> Annual General Meeting to be held for the financial year 2026-27 (without further ratification) on such remuneration as may be determined by the Board of Directors from time to time."

**Special Business:**

4. To ratify the remuneration of Cost Auditors.

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

**"RESOLVED THAT** pursuant to section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof for the time being in force and pursuant to the recommendation of the Audit Committee, a remuneration of Rs. 40,000/- (Rupees Forty Thousand Only) per annum in addition to XBRL Conversion Charges and out of pocket expenses payable to M/s. Jithendra & Co., Practicing Cost Accountants (Firm Registration No. 103347), appointed as the Cost Auditor by the Board of Directors of the Company to conduct audit of cost records of the Company for the financial year 2022-23, be and is hereby ratified.

5. To approve increase in the remuneration payable to Sri. Vallabhaneni Balaji, Joint Managing Director (DIN - 00227309).

To consider and if thought fit, to pass with or without modification(s) the following resolutions as a special resolution:

**"RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee and Audit Committee and pursuant to the provisions of Sections 196, 197, 198, 201 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including rules, notifications, any statutory modifications, amendments or re-enactments thereof for the time being in force and as may be enacted from time to time) read with Schedule V of the said act, and subject to the provisions of Articles of Association of the Company and subject to the regulations of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 as amended thereto, approval of the Members be and is hereby accorded to revision in the remuneration of Sri. Vallabhaneni Balaji, Joint Managing Director (DIN - 00227309) from Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand Only) to Rs. 3,00,000/- (Rupees Three Lakhs Only) per month effective from 01<sup>st</sup> October, 2022.

**"RESOLVED FURTHER THAT** the remuneration payable to Sri. Vallabhaneni Balaji (DIN - 00227309) shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time."

**"RESOLVED FURTHER THAT** the Board of Directors, Key Managerial Personnel and any other person authorized by the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution."

6. To approve increase in the remuneration payable to Sri. Vallabhaneni Suraj Kumar, Joint Managing Director (DIN - 00227360).

To consider and if thought fit, to pass with or without modification(s) the following resolutions as a special resolution:

**"RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee and Audit Committee and pursuant to the provisions of Sections 196, 197, 198, 201 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including rules, notifications, any statutory modifications, amendments or re-enactments thereof for the time being in force and as may be enacted from time to time) read with Schedule V of the said act, and subject to the provisions of Articles of Association of the Company and subject to the regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended thereto, approval of the Members be and is hereby accorded to revision in the remuneration of Sri. Vallabhaneni Suraj Kumar, Joint Managing Director (DIN - 00227360) from of Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand Only) to Rs. 3,00,000/- (Rupees Three Lakhs Only) per month effective from 01<sup>st</sup> October, 2022.

**"RESOLVED FURTHER THAT** the remuneration payable to Sri. Vallabhaneni Suraj Kumar (DIN - 00227360) shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time."

**"RESOLVED FURTHER THAT** the Board of Directors, Key Managerial Personnel and any other person authorized by the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution."

By Order of the Board  
For BALAJI AGRO OILS LIMITED

Sd/-

SRIDEVI CHINTADA  
COMPANY SECRETARY  
ACS 34261

Place : Vijayawada  
Date : 08<sup>th</sup> August, 2022

## Notes

1. In accordance with the Provisions of Section 102 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, an Explanatory Statement in respect of items No. 4, 5 and 6 being items of Special Business, is annexed.
2. A Member entitled to attend and vote at a Meeting is entitled to appoint one or more Proxies to attend and vote on a poll on his behalf and such proxy need not be a Member of the Company. A Proxy Form is enclosed herewith. Proxy Form in order to be effective, duly completed, must be received by the Company at the Registered Office not less than 48 hours before the time fixed for the Meeting.
3. Members / proxies are requested to bring with them the Attendance slip sent with the Annual Report duly completed and signed and hand it over at the entrance.
4. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of persons seeking appointment/ re-appointment as Directors at the Annual General Meeting is annexed hereto.
5. Pursuant to Sec.91 of the Companies Act, 2013 and Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed for 7 days i.e. from 24.09.2022 to 30.09.2022 (both days inclusive).
6. Non-resident Indian Shareholders are requested to inform us immediately the changes in Residential status on return to India for permanent settlement the particulars of Bank NRE Account, if not furnished earlier.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / XL Softech Systems Ltd.
8. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
9. Members desiring any information on the financial statements at the Annual General Meeting are requested to write to the Company at least seven days in advance so as to enable the Company to keep the information ready.

10. Members are requested to quote Folio Number/ Client ID No in all correspondence. Members are requested to update their Email ID with their respective depository participant and with the Company's Registrar and Transfer Agents.
11. As the Company's equity shares are compulsorily traded in demat mode, shareholders holding shares in physical form are requested to dematerialize the same.
12. In accordance with the MCA's "Green Initiative in Corporate Governance" allowing companies to share documents with its shareholders in the electronic mode and related amendments to the Listing Agreement with the Stock Exchanges, the Company is sharing all documents with shareholders in the electronic mode, wherever the same has been agreed to by the shareholders. Shareholders are requested to support this green initiative by registering/ updating their e-mail addresses for receiving electronic communications.

## 13. E-VOTING

Pursuant to Section 108 of the Companies Act, 2013 read with relevant Rules of the Act and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility the members to exercise their right to vote by electronic means.

The e-voting period will commence at 10:00 a.m. on 25<sup>th</sup> September, 2022 and will end at 5:00 p.m. on 29<sup>th</sup> September, 2022. The Company has appointed Mr. Mahesh Grandhi (FCS No. 7120, CP No. 7160), Practicing Company Secretary to act as the Scrutinizer to scrutinize the voting and remote e-voting process (including the ballot form received from the members who do not have access to the e-voting process) in a fair and transparent manner. The members

EVSN (e-voting Sequence Number)	Commencement of e-voting	End of e-voting
220822014	25-09-2022	29-09-2022

Members have an option to vote either through e-voting or through physical ballot form. If a member has opted for e-voting, then he/she should not vote by physical ballot also and vice versa. However, in case members cast their vote both via physical ballot and e-voting then e-voting shall prevail and voting done through physical ballot shall be treated as invalid. The Company has signed an agreement with CDSL for facilitating e-voting.

The Scrutinizer shall, immediately after the conclusion of voting at the Annual General meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make, not later than three (3) days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman and/or Managing Director or a person authorized by him in writing who shall counter sign the same.

The results declared along with the Scrutinizer's Report will be placed on the website of Company, CDSL and communicated to Stock Exchange where the shares are listed.

**14. The instructions for members for voting electronically are as under:**

The voting period begins on Sunday, the 25<sup>th</sup> September, 2022 at 10:00 a.m. and ends on Thursday, the 29<sup>th</sup> September, 2022 at 5:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23.09.2022, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Shareholders who have already voted through e-voting prior to the meeting date would not be entitled to vote at the meeting venue.

- (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (ii) Click on Shareholders.
- (iii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

**For Members Holding Shares in Demat Form and Physical Form**

PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
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Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.
OR	
Date of Birth	If both the details are not recorded with the depository or Company please enter the member Id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant Balaji Agro Oils Limited on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL's mobile app m-voting available for android based mobiles. The m-voting app can be downloaded from google play store. iphone and windows phone users can download the app from app store and the windows phone store respectively on or after 30<sup>th</sup> June, 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

**(xvii) Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

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

The following statement sets out all the material facts relating to the special business mentioned in the accompanying Notice:

**Item No. 4:**

**To ratify the remuneration to the Cost Auditor**

The Board of your Company has, on the recommendation of the Audit Committee, approved the appointment of M/s. Jithendra & Co., Practicing Cost Accountants (Firm Registration No. 103347) as the Cost Auditors of the Company to conduct cost audit in respect of "edible oil" manufactured by the Company for the financial year ended 2022-23 at a remuneration of Rs. 40,000/- (Rupees Forty Thousand Only) per annum in addition to XBRL Conversion Charges and out of pocket expenses.

In accordance with the provisions of section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, remuneration payable to the Cost Auditor is required to be ratified by the shareholders of the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives is interested in this resolution.

**Item No. 5:**

To approve increase in the remuneration of Sri. Vallabhaneni Balaji, Joint Managing Director (DIN: 00227309)

Sri. Vallabhani Balaji is an Executive Director of the Company belonging to the Promoters group and he is currently serving the Company in the capacity of Joint Managing Director at a monthly remuneration of Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand Only). However, considering the contribution of Sri. Vallabhaneni Balaji and the progress made by the Company as a result of his hard work and guidance and as per the recommendation of the Nomination and Remuneration Committee, the Board, at its meeting held on 08<sup>th</sup> August, 2022 approved revision in his remuneration by increasing his salary to Rs. 3,00,000/- (Rupees Three Lakhs Only) per month effective from 01<sup>st</sup> October, 2022.

Hence it is proposed to seek shareholders' approval for the revision of remuneration payable to Sri. Vallabhaneni Balaji.

Broad particulars of the terms of remuneration payable to Sri. Balaji Vallabhaneni are as under:

**(i) Salary :**

Rs. 3,00,000/- (Rupees Three Lakhs Only) per month with liberty to the Board of Directors to sanction any further increase but within the overall maximum limit of remuneration as mentioned hereinafter, as it may in its absolute discretion, determine.

**(ii) Perquisites :**

In addition to the aforesaid Salary, Sri Balaji Vallabhaneni shall be entitled to perquisites like medical reimbursement, leave travel allowance, personal accident insurance, driver's salary, performance linked incentive by whatever name called, etc. in accordance with the Rules of the Company, for the purposes of which limit perquisites shall be evaluated as per Income Tax Rules, wherever applicable, and in absence of any such Rule, perquisites shall be evaluated at actual cost.

However, the following shall not be included in the aforesaid perquisite limit :

- a) Contribution to Provident Fund and Superannuation Fund up to 27% of basic salary and contribution to Gratuity Fund up to 5% of basic salary as defined in the Rules of the respective Funds, or up to such other limit as may be prescribed under the Income Tax Act, 1961 and the Rules made there under for this purpose.

- b) Gratuity at the rate not exceeding half a month's basic salary for each completed year of service, Gratuity payable at the time of retirement/cessation of service.
- c) Encashment of unavailed leave as per the Rules of the Company at the time of retirement/cessation of service.
- d) Costs and expenses incurred by the Company in connection with transfer from one location to another as per the Rules of the Company.
- e) Reimbursement of expenses incurred for business such as travelling, boarding and lodging, provision of car(s) while on business trips and communication expenses incurred for business purpose at residence shall be reimbursed at actual and not considered as perquisites.

(iii) Overall maximum limit of remuneration:

The overall managerial remuneration (including all components of remuneration above) payable to Sri Balaji Vallabhaneni shall be such amount as may be fixed by the board of directors from time to time on recommendation of nomination and remuneration committee but not exceeding Rs. 50.00 Lakhs per annum.

(iv) Minimum Remuneration:

Notwithstanding anything contained herein, in the event of loss or inadequacy of profits in any financial year during the period of his re-appointment as a Joint Managing Director, Sri. Balaji Vallabhaneni shall be entitled to a minimum remuneration as detailed herein above in (i) & (ii) (including the remuneration as may be approved by the board of directors of the Company from time to time) but subject to overall maximum limit fixed as above in (iii).

The aforementioned remuneration comprising salary, perquisites and benefits approved herein be continued to be paid as minimum remuneration to the Joint Managing Director, subject to applicable laws and such other approvals as may be necessary.

The aforesaid remuneration payable to Sri Balaji Vallabhaneni may be further varied, altered or modified, within the overall maximum limit of remuneration as fixed in (iii) above, as may be agreed to by the Board of Directors and Sri Balaji Vallabhaneni, in the light of any amendment/modification of the Companies Act or any re-enactment thereof or any other applicable law as prevailing or in such manner as may be required.

Section 197(1) of the Companies Act, 2013 inter alia provides that subject to the provisions of Schedule V to the Companies Act, 2013, a Company may pay to its Directors, including managing director, whole-time director and manager,

remuneration exceeding 11% of net profits of the Company, after complying with the conditions of Schedule V.

Further, the second proviso to Sub-section (1) of Section 197 inter-alia provides that with the approval of shareholders in the General Meeting by way of special resolution, the remuneration payable to any one managing director; or whole-time director or manager may exceed five percent of the net profits of the company.

The Company has not committed any default in payment of dues to any bank or public financial Institution or non-convertible debenture holders or any other secured creditor.

The information to be provided to the shareholders, as specified in Schedule V to the Companies Act, 2013 are as below:

Statement pursuant to clause (iv) of section II of Schedule V of the Companies Act, 2013:

I. General Information		
1.	Nature of industry	The Company is engaged in Solvent Extraction, Power Generation, Manufacture of Steel Ingots and operations of Rice Mill.
2.	Date or expected date of commencement of commercial production	The Company was incorporated under the Companies Act, 1956 on 06 <sup>th</sup> May, 1994.
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 based on given indications:	Performance for F.Y. 2021-22: 1. Revenue from operations: Rs. 15,629 lakhs 2. Total expenditure: Rs. 15,397 lakhs 3. Net Profit before tax: Rs. 232.57 lakhs 4. Net Profit after tax: Rs. 163.56 lakhs
5.	Foreign investments or collaborations, if any	Not Applicable
B. Information about the Director		
1.	Background details:	Refer brief profile below
2.	Past remuneration	Rs. 1,50,000/- per month
3.	Recognition or awards	Not Applicable
4.	Job profile and his suitability	The Company, under the guidance of Sri. Balaji Vallabhaneni has diversified into solvent extraction, power generation, manufacture of steel ingots and operations of rice mill.

		He has rich and varied experience in the solvent extraction industry and rice milling operations and has been actively involved in developing the Company for more than 20 years in positive phase and has brought tremendous value to the Company.
5.	Remuneration proposed	Rs. 3,00,000/- per month
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 with respect to the country of his origin)	Taking into consideration the size of the Company, the profile of the appointee, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages being paid to similar senior level Directors in other companies.
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	He is holding 11,15,400 equity shares of the Company. He is son of Sri. Venkataramaiah Vallabhaneni, Chairman of the Company and brother of Sri. Suraj Kumar Vallabhaneni, Joint Managing Director.
III. Other information		
1.	Reasons for loss or inadequate profits	<p>The Company is under manufacturing sector and strictly depends upon availability of labour.</p> <p>One of our steel division fully depends on labour and availability of Raw material.</p> <p>During the Financial year the cost of Raw material and processing cost increased, due to that reason the steel Division earned a negative profits</p> <p>From this financial year onwards operated the Rice Division with a new plant and machinery and other Rice Mill. But the sufficient Crop not available to utilize the full capacity of the mill and government policies this unit also generated negative profit only.</p> <p>One of our Oil Division also affected due to ongoing Covid-19 pandemic and also due to lack of Agriculture and availability of Paddy. Hence, the Raw material is also not available to utilize the optimum capacity of machinery. Even though the Solvent division earned positive profits only</p> <p>And other division of Power division not operated full capacity due to lack of Raw Material even though it also generated Positive profits only.</p>
2.	Expected increase in productivity and profits in measurable terms:	Considering the market recovery would be a gradual process along with the uncertainty brought by the Covid-19 pandemic, it is extremely difficult in the present scenario to predict profits in measurable terms.

	Necessary disclosures have been made in the Board of Director's Report under the heading Corporate Governance attached to the financial statements for FY 2021-22 and shall be continued as per the requirements of the Companies Act, 2013.
	Details of Sri Suraj Kumar Vallabhaneni are provided in the "Annexure" to the Notice, pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

## Annexure - 2:

## BRIEF PROFILE/RESUME OF SRI BALAJI VALLABHANENI

Name of the Director	Balaji Vallabhaneni
Designation	Joint Managing Director
DIN	00227309
Effective date of re-appointment	01.07.2021
Date of birth	29.05.1967
Expertise	He has got an experience of more than 20 years in rice milling and solvent extraction plant business.
Qualification	Post Graduation in Commerce
Remuneration last drawn	Rs. 1,50,000/- per month
Number of Board Meetings attended during the financial year 2021-22	4 (four)
Directorships held in other listed companies as at 31.03.2022	Nil
Committee positions held in other companies as at 31.03.2022	Nil
Relationship with other Directors as at 31.03.2022	Yes
Pursuant to the applicable provisions of the Companies Act, 2013 and the relevant rules made thereunder, consent of members is being sought by way of a Special Resolution.	

Except Sri. Venkataramaiah Vallabhaneni, Sri. Suraj Kumar Vallabhaneni, Sri. Balaji Vallabhaneni, Smt. Sangeetha Vallabhaneni, none of the Directors or Key Managerial Personnel of the Company and their relatives is interested in this resolution.



**Item No. 6:**

To approve increase in the remuneration of Sri. Vallabhaneni Suraj Kumar, Joint Managing Director (DIN: 00227360)

Sri. Vallabhani Suraj Kumar is an Executive Director of the Company belonging to the Promoters group and he is currently serving the Company in the capacity of Joint Managing Director at a monthly remuneration of Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand Only). However, considering the contribution of Sri. Vallabhaneni Suraj Kumar and the progress made by the Company as a result of his hard work and guidance and as per the recommendation of the Nomination and Remuneration Committee, the Board, at its meeting held on 08<sup>th</sup> August, 2022 approved revision in his remuneration by increasing his salary to Rs. 3,00,000/- (Rupees Three Lakhs Only) per month effective from 01<sup>st</sup> October, 2022.

Hence it is proposed to seek shareholders' approval for the revision of remuneration payable to Sri. Vallabhaneni Suraj Kumar.

Broad particulars of the terms of remuneration payable to Sri. Vallabhaneni Suraj Kumar are as under:

**(i) Salary :**

Rs. 3,00,000/- (Rupees Three Lakhs Only) per month with liberty to the Board of Directors to sanction any further increase but within the overall maximum limit of remuneration as mentioned hereinafter, as it may in its absolute discretion, determine.

**(ii) Perquisites :**

In addition to the aforesaid Salary, Sri Vallabhaneni Suraj Kumar shall be entitled to perquisites like medical reimbursement, leave travel allowance, personal accident insurance, driver's salary, performance linked incentive by whatever name called, etc. in accordance with the Rules of the Company, for the purposes of which limit perquisites shall be evaluated as per Income Tax Rules, wherever applicable, and in absence of any such Rule, perquisites shall be evaluated at actual cost.

However, the following shall not be included in the aforesaid perquisite limit:

- a) Contribution to Provident Fund and Superannuation Fund up to 27% of basic salary and contribution to Gratuity Fund up to 5% of basic salary as defined in the Rules of the respective Funds, or up to such other limit as may be prescribed under the Income Tax Act, 1961 and the Rules made under for this purpose.
- b) Gratuity at the rate not exceeding half a month's basic salary for each completed year of service, Gratuity payable at the time of retirement/cessation of service.

- c) Encashment of un availed leave as per the Rules of the Company at the time of retirement/cessation of service.
- d) Costs and expenses incurred by the Company in connection with transfer from one location to another as per the Rules of the Company.
- e) Reimbursement of expenses incurred for business such as travelling, boarding and lodging, provision of car(s) while on business trips and communication expenses incurred for business purpose at residence shall be reimbursed at actual and not considered as perquisites.

**(iii) Overall maximum limit of remuneration:**

The overall managerial remuneration (including all components of remuneration above) payable to Sri Vallabhaneni Suraj Kumar shall be such amount as may be fixed by the board of directors from time to time on recommendation of nomination and remuneration committee but not exceeding Rs. 50.00 Lakhs per annum.

**(iv) Minimum Remuneration:**

Notwithstanding anything contained herein, in the event of loss or inadequacy of profits in any financial year during the period of his re-appointment as a Joint Managing Director, Sri. Vallabhaneni Suraj Kumar shall be entitled to a minimum remuneration as detailed herein above in (i) & (ii) (including the remuneration as may be approved by the board of directors of the Company from time to time) but subject to overall maximum limit fixed as above in (iii). The aforementioned remuneration comprising salary, perquisites and benefits approved herein be continued to be paid as minimum remuneration to the Joint Managing Director, subject to applicable laws and such other approvals as may be necessary.

The aforesaid remuneration payable to Sri. Vallabhaneni Suraj Kumar may be further varied, altered or modified, within the overall maximum limit of remuneration as fixed in (iii) above, as may be agreed to by the Board of Directors and Sri Vallabhaneni Suraj Kumar, in the light of any amendment/modification of the Companies Act or any re-enactment thereof or any other applicable law as prevailing or in such manner as may be required.

Section 197(1) of the Companies Act, 2013 inter alia provides that subject to the provisions of Schedule V to the Companies Act, 2013, a Company may pay to its Directors, including managing director, whole-time director and manager, remuneration exceeding 11% of net profits of the Company, after complying with the conditions of Schedule V.

Further, the second proviso to Sub-section (1) of Section 197 inter-alia provides that with the approval of shareholders in the General Meeting by way of special resolution, the remuneration payable to any one managing director; or whole-time director or manager may exceed five percent of the net profits of the company.

The Company has not committed any default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor.

The information to be provided to the shareholders, as specified in Schedule V to the Companies Act, 2013 are as below:

Statement pursuant to clause (iv) of section II of Schedule V of the Companies Act, 2013:

I. General Information		
1.	Nature of industry	The Company is engaged in Solvent Extraction, Power Generation, Manufacture of Steel Ingots and operations of Rice Mill.
2.	Date or expected date of commencement of commercial production	The Company was incorporated under the Companies Act, 1956 on 06 <sup>th</sup> May, 1994.
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 based on given indications:	Performance for F.Y. 2021-22: 1. Revenue from operations: Rs. 15,629 lakhs 2. Total expenditure: Rs. 15,397 lakhs 3. Net Profit before tax: Rs. 232.57 lakhs 4. Net Profit after tax: Rs. 163.56 lakhs
5.	Foreign investments or collaborations, if any	Not Applicable
B. Information about the Director		
1.	Background details:	Refer brief profile below
2.	Past remuneration	Rs. 1,50,000/- per month
3.	Recognition or awards	Not Applicable
4.	Job profile and his suitability	The Company, under the guidance of Sri. Suraj Kumar Vallabhaneni has diversified into solvent extraction, power generation, manufacture of steel ingots and operations of rice mill.  He has rich and varied experience in the solvent extraction industry and rice milling operations and has been actively involved in developing the Company for more than 20 years in positive phase and has brought tremendous value to the Company.

5.	Remuneration proposed	Rs. 3,00,000/- per month
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 with respect to the country of his origin)	Taking into consideration the size of the Company, the profile of the appointee, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages being paid to similar senior level Directors in other companies.
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	He is holding 10,74,142 equity shares of the Company. He is son of Sri. Venkataramaiah Vallabhaneni, Chairman of the Company and brother of Sri. Balaji Vallabhaneni, Joint Managing Director.
III. Other Information		
1.	Reasons for loss or inadequate profits	The Company is under manufacturing sector and strictly depends upon availability of labour.  One of our steel division fully depends on labour and availability of Raw material. During the Financial year the cost of Raw material and processing cost increased, due to that reason the steel Division earned a negative profits From this financial year onwards operated the Rice Division with a new plant and machinery and other Rice Mill. But the sufficient Crop not available to utilize the full capacity of the mill and government policies this unit also generated negative profit only.  One of our Oil Division also affected due to ongoing Covid-19 pandemic and also due to lack of Agriculture and availability of Paddy. Hence, the Raw material is also not available to utilize the optimum capacity of machinery. Even though the Solvent division earned positive profits only  And other division of Power division not operated full capacity due to lack of Raw Material even though it also generated Positive profits only.
2.	Expected increase in productivity and profits in measurable terms:	Considering the market recovery would be a gradual process along with the uncertainty brought by the Covid-19 pandemic, it is extremely difficult in the present scenario to predict profits in measurable terms. Necessary disclosures have been made in the Board of Director's Report under the heading Corporate Governance attached to the financial statements for FY 2021-22 and shall be continued as per the requirements of the Companies Act, 2013. Details of Sri Suraj Kumar Vallabhaneni are provided in the "Annexure" to the Notice, pursuant

to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Annexure - 2:

**BRIEF PROFILE/RESUME OF SRI VALLBHANENI SURAJ KUMAR**

Name of the Director	Vallabhaneni Suraj Kumar
Designation	Joint Managing Director
DIN	00227360
Effective date of re-appointment	01.07.2021
Date of birth	27.05.1968
Expertise	He has got an experience of more than 20 years in rice milling and solvent extraction plant business.
Qualification	Post Graduate in Mechanical Engineering
Remuneration last drawn	Rs. 1,50,000/- per month
Number of Board Meetings attended during the financial year 2021-22	4 (four)
Directorships held in other listed companies as at 31.03.2022	Nil
Committee positions held in other companies as at 31.03.2022	Nil
Relationship with other Directors as at 31.03.2022	Yes
Number of shares held in the Company as at 31.03.2022	10,74,142 equity shares

Pursuant to the applicable provisions of the Companies Act, 2013 and the relevant rules made thereunder, consent of members is being sought by way of a Special Resolution.

Except Sri. Venkataramaiah Vallabhaneni, Sri. Suraj Kumar Vallabhaneni, Sri. Balaji Vallabhaneni, Smt. Sangeetha Vallabhaneni, none of the Directors or Key Managerial Personnel of the Company and their relatives is interested in this resolution.

**DIRECTORS' REPORT**

To

The Members,

Your Directors have pleasure in presenting the 28<sup>th</sup> Annual Report of the Company together with the Audited Statements of Accounts for the Financial Year ended March 31, 2022.

**FINANCIAL RESULTS:**

PARTICULARS	Current Year	Previous Year
	2021-22	2020-21
	(Rs. Lakhs)	(Rs. Lakhs)
Total Income	15080.56	8803.48
Profit/(loss) before depreciation	342.55	194.87
Depreciation	109.99	54.45
Profit/(loss) before Tax	232.56	140.42
Provision for Taxation	51.66	23.96
Deferred Tax liability/(Asset)	17.34	12.78
profit (Loss) for the year	163.56	103.68
Balance B/F	1272.05	1168.37
Add: Shares forfeited adjusted to capital reserve	0	0
Add: Adjustment towards depreciation	0	0
Profit/(Loss) Balance C/F	1435.61	1272.05

**Operations:**

Once again, the Board of Directors herewith informs you that your Company's Shares were duly listed with Metropolitan Stock Exchange of India Limited (MSEI), Mumbai in 2020. Further, the Company has been striving to get the trading permission to enrich the shareholders wealth.

During the year the company continued the activities of Steel & Solvent extraction, Power generation and Rice Mill operations.

Solvent Extraction Division:

This division earned an after Tax Profit of Rs. 133.82 lakhs as against profit of Rs. 133.48 lakhs during the previous year. It processed 32857.708 M.Ts of Rice Bran as against 30869.290 M.Ts of Rice Bran during the previous year.

Power Division:

This division earned an after tax Profit of Rs.166.80 lakhs as against profit of Rs.74.63 lakhs during the previous year. It has generated 282.53 lakhs of units as against 258.499 lakhs of units during the previous year.

Steel Division:

This division earned an after tax Loss of Rs.(105.63).lakhs as against profit of Rs.(42.30) lakhs during the previous year. It produced 4560.800 Mt of Iron Ingots as against 2257.510M.Ts of Iron Ingots during the previous year.

Rice Mill Division:

This division earned an after tax Loss of Rs.(14.09) lakhs as against profit of Rs.(49.36)lakhs during the previous year. It Paddy milling for Hire work 52771.840Mts and paddy milling for own 19054.204Mts as against paddy milling for Hire Work 4933.400MTS and paddy milling for Own 590.00 MTS.

**Dividend & Reserves:**

To keep the capital base of the Company stronger and with a view to make the Company cash rich, your Directors are not recommending any dividend for the year 2021-22.

**Share Capital:**

During the year under review, the Company has not issued Equity Shares/ shares with differential voting rights/ granted stock options/ sweat equity.

**Deposits:**

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and as such, no amount of principal and interest was outstanding as on 31<sup>st</sup> March, 2022.

However, your Company availed Loans from the Directors and relatives of Directors and the amount of principal is Rs.720.00 Lakhs and interest of Rs.106.00 Lakhs is outstanding as at 31<sup>st</sup> March, 2022.

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

Information pursuant to sub-section (3) of section 129 of the Act, i.e., the statement containing the salient features of the financial statement of a Company's subsidiary or subsidiaries, associate Company or companies and joint venture or ventures is not applicable during the year, as there are no Subsidiary/Joint Venture Companies.

**Presentation of Financial Statements:**

The Financial Statements for the year ended 31<sup>st</sup> March, 2022 are prepared in due compliance with the Schedule III of the Companies Act, 2013.

**Cash Flow Statement:**

A Cash Flow Statement for the year 2021-22 is annexed to the Statement of Accounts.

**PARTICULARS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**Appointments:**

In accordance with the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of the Company following Directors are being appointed / re-appointed:

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and the Articles of Association of the Company, Sri Vallabhaneni Venkataramaih, Director of the Company retires by rotation at this Annual General Meeting and being eligible offers himself for reappointment.

As at 31<sup>st</sup> March, 2022, the Board of Directors consists of Sri Venkataramaiah Vallabhaneni, Chairman, Sri Suraj Kumar Vallabhaneni, Sri Balaji Vallabhaneni as Joint Managing Directors, Smt. Vallabhaneni Sangeetha as a Woman Director, Sri Bapuji Gottipati, Sri Gottipati Ramesh Babu, Sri. Kodali Koteswara Rao and Sri. Koduru Nagendra Babu as Independent Directors of the Company continuing on the Board.

All the Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, there has been no change in the circumstances which may affect their status as Independent Directors during the year.

Brief particulars of the Directors seeking appointment / re-appointment at this Annual General Meeting are being annexed to the Corporate Governance Report as required

under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forming part of this Annual Report.

**Cessation:**

Sri Kandimalla Ravi Varma (DIN-06720182) who was an independent Director on the Company's Board resigned from the office with effect from 14<sup>th</sup> August 2021.

**Key Managerial Personnel**

There are no changes in the Key Managerial Personnel during the year 2021-22 except for the re-appointments as mentioned above.

**Board evaluation and assessment**

Evaluation of all Board members is done on an annual basis. The evaluation is done by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and the Individual Directors.

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out performance evaluation taking into consideration, various aspects of the Board's functioning, composition of Board, and its Committees, execution, and performance of specific duties, obligations and governance. The Performance evaluation of Independent Directors was completed. The Performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

None of the directors of the Company is disqualified either under the provisions of the Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Policy on directors' appointment and remuneration and other details**

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy which lays down a framework in relation to selection, appointment and remuneration to the directors, key managerial personnel and senior management of the Company. The Company's policy on directors and KMP appointment and remuneration and other matters provided in section 178(3) of the Act has been disclosed in the corporate governance report, which forms part of the directors' report.

**Number of board meetings during the year**

During the year, 4 (Four) Meetings of the Board, 4 (Four) Meetings of the Audit Committee, 4 (Four) Meetings of the Stakeholders Relationship Committee, 4 (Four) Meeting of the Nomination and Remuneration Committee and 1 (one) meeting of

CSR committee were convened and held, the details of which form part of the report on the corporate governance.

**Material Orders, if any, passed by the Regulators, Courts etc.:**

There are no orders passed by the Regulators/Courts/Tribunals which have impact on the going concern status and the Company's operations in future.

**Auditors:**

Sri. P Janardhan, Chartered Accountant (Membership No. 26498), Vijayawada, who is holding the office of Statutory Auditor of the Company for a term of 5 (five) years i.e., from 23<sup>rd</sup> Annual General Meeting of the Company held on 29<sup>th</sup> September, 2017 will retire at the conclusion of this Annual General Meeting.

Pursuant to the provisions of section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Suresh and Babu, Chartered Accountants (Firm Registration No. 0042548) are proposed to be appointed as Statutory Auditors for a term of 5 (five) consecutive financial years i.e., from the conclusion of this Annual General Meeting up to the conclusion of the Annual General Meeting to be held for the financial year 2026-27. The Company has received a Consent Letter from the proposed Statutory Auditors, which was placed before the Audit Committee and the Board of Directors in their respective meetings.

There are no qualifications in their report for the financial year ended 31<sup>st</sup> March, 2022. Further, the Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013. The Auditors Report is enclosed with the financial statements.

**Cost Audit Report:**

The Cost Audit is not applicable to the Company for the year ended 31<sup>st</sup> March 2022.

**Secretarial Audit Report:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Sri. Mahesh Grandhi, Company Secretary in Practice to undertake the Secretarial Audit of the Company for the Financial Year 2021-22. The Report of the Secretarial Auditor for Financial Year 2021-22 is annexed herewith as "Annexure-1".

The Board of Directors herewith replies to the observations of the Secretarial Auditor that

- i. Company is very much keen on taking steps to comply with the restatement of IND-AS (Indian Accounting Standards) as specified and herewith undertake to do the compliance from next year.
- ii. We agree that there was a delay in intimating the details of inter-se share transfers among Promoters and hence the Company has made a request to the Stock Exchange for condoning the delay stating that the delay was due to ill health of the Promoter and not intentional.

Apart from this, the Report does not contain any qualification, reservation or adverse remarks.

#### Internal Audit & Controls:

The Company has an effective internal control system in place and this is continually reviewed for effectiveness and is augmented by written policies and guidelines. The Company's overall system of internal control is adequate given the size and nature of operations and effective implementation of internal control procedures.

The internal control system of the Company is subject matter of Audit Committee's periodical review and suggestions and recommendations, if any, made by the committee will be carried out.

#### DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12):

During the year under review, there were no frauds reported by the auditors to the Audit Committee or the Board under section 143(12) of the Companies Act, 2013.

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

The particulars of loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 have been disclosed as notes in the financial statements.

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

All transactions entered into with Related Parties for the year under review were on arm's length basis and in the ordinary course of business. All Related Party Transactions are placed before the Audit Committee as also the Board for approval,

wherever required. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseeable and repetitive nature.

A statement giving details of all related party transactions entered into pursuant to the omnibus approval so granted are placed before the Audit Committee and the Board of Directors on a quarterly basis. The Company has developed a Policy on Related Party Transactions for the purpose of identification and monitoring of such transactions. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

The details of Related Party Transactions are annexed in Form AOC-2 as Annexure-2 and Note No. 26 of Notes Forming part of the Financial Statements.

#### CORPORATE SOCIAL RESPONSIBILITY:

i The Company's Corporate Social Responsibility (CSR) aims to extend beyond charity and enhance social impact. CSR Committee at its meeting held on **31<sup>st</sup> October, 2015**, framed a CSR Policy and the same was adopted by the Board. The Company's CSR policy covers the activities as under:

- Uphold and promote the principles of inclusive growth and equitable development.
- Develop Community Development Plans based on needs and priorities of host communities and measure the effectiveness of community development programmes.
- Work actively in areas of preventive health and sanitation, education, skills for employability, livelihoods, income generation, waste resource management and water conservation for host communities for enhancing Human Development Index.
- Collaborate with likeminded bodies like governments, voluntary organizations and academic institutes in pursuit of our goals.
- Any other activity, in compliance of the above, as may be taken up by the Committee from time to time.

i The Composition of the CSR Committee: The CSR Committee is duly re-constituted during the financial year and the following are the members of the Committee as of date:

- |                             |            |
|-----------------------------|------------|
| 1. Gottipati Ramesh Babu    | Chairman   |
| 2. Vallabhaneni Suraj Kumar | Member and |
| 3. Bapuji Gottipati         | Member     |

Present composition of CSR Committee consists of two Independent Directors. During the year, Sri. Kandimalla Ravi Varma, who was a Member of CSR Committee has resigned from office of Independent Director effective from 14<sup>th</sup> August 2021.

*The Committee duly met once during the financial year, i.e., on 30<sup>th</sup> June, 2021 and discussed about the CSR Policy, which was already framed by the committee.*

- Since the Company's parameters in terms of Turnover, Networth or Profitability were not qualified as specified in section 135 of Companies Act, 2013, and hence spending of 2% of the Profits towards CSR activity is not required.

### Management Discussion & Analysis

Pursuant to the provisions of Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a report on Management Discussion & Analysis is presented in a separate section and forms part of the Annual Report.

### Corporate Governance:

The Company has implemented the procedures and adopted practices in conformity with the Code of Corporate Governance enunciated in provisions of SEBI (LODR) Regulations, 2015.

A report on Corporate Governance pursuant to the provisions of Corporate Governance Code stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report. Full details of the various board committees are also provided therein along with the Auditors' Certificate regarding compliance of conditions of corporate governance and forms integral part of this Report.

### Extract of Annual Return (MGT-9):

A copy of the Annual Return as provided under Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management & Administration) Rules, 2014 prepared as on March 31, 2022 shall be placed on the website of the Company and the same is available in the Company's website at [www.baol.in](http://www.baol.in).

### DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENT:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company (with its inherent weakness) work performed by the internal, statutory and secretarial auditors including the audit of internal financial controls over financial reporting by the Statutory Auditors, and the reviews performed by the management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the period ended on 31<sup>st</sup> March, 2022.

### RISK MANAGEMENT

The Board of the Company has adopted a policy to frame, implement and monitor the risk management policy/plan for the Company and ensuring its effectiveness. The Board oversees the Risk Management process including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting. The Audit Committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

### Particulars of Employees:

The Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### PARTICULARS OF REMUNERATION

Disclosures with respect to the remuneration of Directors and employees as required under Section 197(12) of Companies Act, 2013 and Rule 5 (1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Executive Directors	Ratio to Median remuneration
V.VENKATRAMAIAH	4.29:1
V.BALAJI	4.39:1
V.SURAJ KUMAR	4.39:1

- b) The percentage increase in remuneration of each director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year: NIL
- c) There is no percentage increase in the median remuneration of employees in the financial year.
- d) The number of permanent employees on the rolls of Company - 95. The explanation on the relationship between average increase in remuneration and Company performance: NIL
- e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: NIL
- f) Comparison of remuneration of the key managerial personnel against the performance of the Company:

(Amount in Lakhs)

Name of person	Remuneration (Rs.in Lakhs)	Total Revenue (Rs.in Lakhs)	Remuneration as a % of total revenue
V.VENKATRAMAIAH	6.75	15080.56	0.0447
V.BALAJI	15.75	15080.56	0.1044
V.SURAJ KUMAR	15.75	15080.56	0.1044
CH. SRIDEVI	3.60	15080.56	0.0238
D. MALLIKARJUNA RAO	2.92	15080.56	0.0193

- g) The key parameters for any variable component of remuneration availed by the directors: NIL
- h) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: None.
- i) Affirmation that the remuneration is as per the remuneration policy of the Company:  
The Company affirms that the remuneration paid to Key Managerial Personnel is as per the remuneration policy of the Company.

#### Declaration by Independent Director(s):

All the Independent Directors have submitted declarations to the Company to the effect that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

#### DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE & VIGIL MECHANISM:

The Audit Committee consists of the following members:

1	Gottipati Babuji	Chairman
2	Ramesh Babu Gottipati	Member
3	Koteswara Rao Kodali	Member
4	Nagendra Babu Koduru	Member and
5	Representative of Auditors	Permanent Invitee

The current composition of Audit Committee consists of 4 (four) Independent Directors. During the year, Mr. Kandimalla Ravi Varma, who was a Member of the Committee, has resigned from office of Independent Director effective from 14<sup>th</sup> August 2021 and Mr. Koteswara Rao Kodali and Mr. Nagendra Babu Koduru were appointed as Independent Directors effective from 14<sup>th</sup> August 2021.

#### Vigil Policy

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Company empowered the victimized Employees or Directors to approach directly the Chairman of the Audit Committee for a solution to the issue so that the victimized Employee/Director is rescued.

#### Risk Management Policy:

Risk Management Policy has been approved by the Board of Directors and the Company is taking steps to mitigate and minimize various Business risks which have an impact on the operations of the Company.

#### Material Changes and Commitments:

No material changes have occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of this report which affecting Financial position of the Company as on 31.03.2022.



### Prevention of Sexual Harassment of Woman at Work Place:

In order to prevent sexual harassment of woman at work place as per the provisions of the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company adopted a policy for prevention of Sexual Harassment of Woman at workplace and has set up a Committee for implementation of the said policy. During the year under review, there were no cases filed against anybody for sexual harassment.

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

Your Company has adopted a policy on Prevention of Sexual Harassment at Workplace which aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behavior. During the financial year 2021-22, the Company has not received any complaints on sexual harassment.

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

The details of conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are as follows:

#### Environmental protection:

Your Company has continued its efforts towards Clean and Green this year also. It has been monitoring the environment and pollution parameters at its factory at Davuluru. Planting of trees and taking proper care in growing them is being done on regular basis.

#### Energy conservation:

The information in accordance with the provisions of Section 134 of the Companies Act, 2013, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 2014, particulars with respect to Conservation of Energy is as under:

Energy conservation has been identified as an important source of improving cost effectiveness. Energy conservation and optimization is achieved from the design stage of plant itself and is then maintained and improved in the normal plant operation. Continuous updating of energy conservation efforts are being carried in at all operating levels. The required data with regard to Conservation of Energy as applicable to our industry is furnished below:

Particulars	For the year 2021-2022	For the year 2020-2021
<b>I. Electricity</b>		
i) Purchased (APTRANSCO) Units	1447324	-
Total Amount (Rs.)	1,30,18,731	-
Rate per Unit (Rs)	8.99	-
ii) Captive Generation Units	6722600	34,20,700
Total Amount (Rs.)	4,73,54,276	2,29,87,104
Rate per Unit (Rs)	7.04	6.72
iii) Own Generation Units	-	-
Total Amount (Rs.)	-	-
Rate per Unit (Rs)	-	-
<b>II. Steam</b>		
Total Amount (Rs.)	-	-
Consumption per M.T. of Production		
- Electricity (Units)	74.78	103.26
- Steam (Rs.)	-	-
<b>III. Internal Generation (Units)</b>	-	-

### Technology Absorption

No expenditure is incurred by the Company attributable to Technology absorption during the year under review.

### Foreign Exchange Earnings & Outgo:

Foreign Exchange Earnings : Nil  
Foreign Exchange Outgo : Nil

### Expenditure on Research and Development

No expenditure is incurred by the Company attributable to Expenditure on Research and Development during the year under review.

### Directors' Responsibility Statement:

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability confirm that:

(a) in the preparation of the annual accounts for the year ended 31<sup>st</sup> March 2022, applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2022 and of the profit and loss of the Company for the year ended on that date;

(c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors have prepared the annual accounts on a going concern basis;

(e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### GENERAL

i. material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

*No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.*

ii. the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.

*Not applicable.*

iii. the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

*Not applicable.*

#### APPRECIATION:

Your Directors wish to place on record their appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the forefront of the industry, despite increased competition from several existing and new players.

#### Acknowledgements:

The Board desires to place on record its sincere appreciation for the support and co-operation that the Company received from the suppliers, customers, strategic partners, Bankers, Auditors, Registrar and Transfer Agents and all others associated with the Company. The Company has always looked upon them as partners in its progress and has happily shared with them rewards of growth. It will be the Company's endeavor to build and nurture strong links with trade based on mutuality, respect and co-operation with each other.

Your Directors would like to thank the HDFC Bank MG Road, SBI Bank, Patamata Branch, Vijayawada and Share Transfer Agents, XL Softech Systems Limited, Hyderabad and also thank the Shareholders, Customers, Suppliers, State and Central Government agencies for the support they have extended to the Company and confidence which they have reposed in its management.

By Order of the Board  
For BALAJI AGRO OILS LIMITED

Sd/-

(V.SURAJ KUMAR)  
JT.MANAGING DIRECTOR  
DIN : 00227360

Sd/-

(V. BALAJI)  
JT. MANAGING DIRECTOR  
DIN : 00227309

Place: Vijayawada  
Date: 08<sup>th</sup> August, 2022

**Form No. MR-3****SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2022*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
Balaji Agro Oils Limited

Corporate Identity Number (CIN) : L15143AP1994PLC017454

Authorised Capital : Rs.14.00 Crores

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Balaji Agro Oils Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Balaji Agro Oils Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information, explanation declaration and undertaking provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Balaji Agro Oils Limited ("the Company") a Listed Public Company for the financial year ended on 31<sup>st</sup> March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- g) The Memorandum and Articles of Association.

I have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with the Metropolitan Stock Exchange of India Limited (MSEI), Mumbai.

Accordingly, the Industry specific major Acts as applicable to the Company are complied.

I further report that the Company has, in my opinion, during the period under review complied with the provisions of the Act and Rules, Regulations, Guidelines, Standards etc., mentioned above except to the extent as mentioned below:

1. The Ministry of Corporate Affairs (MCA) on 16th February, 2015, notified that Indian Accounting Standards (Ind AS) are applicable to certain classes of Companies from 1<sup>st</sup> April, 2016 with transition date of 1<sup>st</sup> April, 2015. Ind AS has replaced the previous Indian GAAP prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. Ind AS is applicable to the Company from 1<sup>st</sup> April, 2017. However, the Company has not restated the accounts in IND AS.
2. There was a delay in intimation of particulars of Share Transfers done inter-se between the Promoters to the Stock Exchange and others which shall be required to be done in accordance with the SEBI (Listing obligations and Disclosure Requirements) 2015 and also under SEBI (Prohibition of Insider trading) Regulations, 2015 as amended thereto.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors, except as mentioned above. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

I further report that during the audit period the company has not entered into / carried out any activity that has major bearing on the company's affairs.

Sd/-

(G. MAHESH)  
Company Secretary in Practice  
M. No.: F7120  
CP No.: 7160  
UDIN: F007120D000423195

Place : Hyderabad

Dated : 30<sup>th</sup> MAY 2022

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

To,  
The Members,  
Balaji Agro Oils Limited  
Corporate Identity Number (CIN) : L15143AP1994PLC017454  
Authorised Capital : Rs.14.00 Crores

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

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Sd/-

(G. MAHESH)  
Company Secretary in Practice  
M. No.: F7120  
CP No.: 7160  
UDIN : F007120D000423195

Place : Hyderabad  
Dated : 30.05.2022

## BOARD OF DIRECTORS

### CHAIRMAN

Sri Vallabhaneni Venkataramaiah

### JOINT MANAGING DIRECTORS

Vallabhaneni Balaji  
Vallabhaneni Suraj Kumar

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Gottipati Bapuji  
Gottipati Ramesh Babu  
Koduru Nagendra Babu  
Kodali Koteswara Rao

### WOMAN DIRECTOR

Vallabhaneni Sangeetha

### BOARD COMMITTEES

#### AUDIT COMMITTEE

Bapuji Gottipati	Chairman
Ramesh Babu Gottipati	Member
Koteswara Rao Kodali	Member
Nagendra Babu Koduru	Member
Representative of Auditors	Permanent Invitee

#### STAKEHOLDERS RELATIONSHIP COMMITTEE

Bapuji Gottipati	Chairman
Ramesh Babu Gottipati	Member
Koteswara Rao Kodali	Member
Nagendra Babu Koduru	Member

#### NOMINATION AND REMUNERATION COMMITTEE

Bapuji Gottipati	Chairman
Ramesh Babu Gottipati	Member
Koteswara Rao Kodali	Member
Nagendra Babu Koduru	Member

#### CSR COMMITTEE

Ramesh Babu Gottipati	Chairman
Suraj Kumar Vallabhaneni	Member
Bapuji Gottipati	Member

## MANAGEMENT DISCUSSION AND ANALYSIS

### Overview

The Management Discussion and Analysis sets out the developments in the business environment and the Company's performance since our last report. This analysis supplements the Directors' Report and the Audited Financial Statements forming part of this Annual Report.

### Industry and Structure

#### Solvent Extraction Industry:

Indian vegetable Oil economy is the fourth largest in the world after USA, China and Brazil. Oilseed cultivation is undertaken across the country in 2 seasons, in an area aggregating approximately 26 million hectares. 80% of the India's domestic oil output comes from primary source that is 9 cultivated oilseeds and 2 major oil bearing oil seeds and the secondary source comprises solvent extracted oils, rice bran oil etc.

The Company's original business of Solvent Extraction is focused on quality extraction with emphasis on optimum productivity.

#### Power generation:

India, which accounts for around 85% of South Asian electricity generation, is facing serious power supply problems. Current generation is about 30% below demand, as a consequence, India is faced with the need to invest heavily in new electricity generating capacity. There has been a growing awareness about setting up small power plants at decentralized places based on renewable sources of energy to avoid the ill effects of pollution from the fossil fuel based power plants. All over the world renewable energy movement is taking place due to global warming and adverse effects of climatic change. The renewable source of energy consists of biomass, wind, small hydro and solar.

The Company has ventured into power generation as part of the integration process to utilize the internal resources in a best manner.

#### Steel Industry:

Manufacturing of "Iron Ingots" taking available surplus power being produced at the Power plant.

#### Rice Division

Paddy is the one of the main crops in Andhra and Telangana states. The two state people consume mainly Rice, the demand of the product is good. This unit is full depends on availability of crop and government policies only.

### Company's Infrastructure

Your Company operates from its registered office at Vijayawada. The Company's unit, comprising of Solvent Extraction, Power Generation Plant, Steel Plant & Rice mill is located at Davuluru (V), Kankipadu Mandal, Krishna District, about 17 KM from the registered office at Vijayawada.

### Internal Control Systems

The Company has an effective internal control system in place and this is continually reviewed for effectiveness and is augmented by written policies and guidelines. The Company's overall system of internal control is adequate given the size and nature of its operations and effective implementation of internal control procedures.

The internal control system of the Company is subject matter of Audit Committee's periodical review and suggestions and recommendations, if any, made by the committee will be carried out.

### Opportunities and Threats

With the invitation of more participation by the private sector, the power generation industry is set to result in major opportunities for the Company, which has ventured into the foray of power generation. By utilizing the excess captive power, the Company started steel division and existing solvent division also is making use of the available power.

### Risks and Concerns

The Company's current and Fixed assets are adequately insured against various risks. The Company constantly strives to adequately protect itself from various business risks and concerns and takes appropriate measures to address the same.

### Segment wise Performance

The Company's operations are divided into four segments viz., Solvent Division, Power Division Steel Division & Rice mill division. A brief overview of the performance of the Company - division wise is as follows

(Rs. In lakhs)

Particulars	Solvent	Power	Steel	Rice Mill	Inter-segment	Total
Sales/Income	8751.57	1779.71	2040.86	4413.54	1905.12	15080.56
Profit	161.32	190.97	-105.63	-14.09	-	232.57
Assets	2844.72	2015.63	473.96	2221.18	1399.72	6155.77
Liabilities	1681.19	383.62	652.62	2284.62	1399.72	3602.33
Capital Employed	1163.53	1632.01	-178.66	-63.44	-	2553.44

### Operational Performance

Analysis of profitability is given below

(Rs. In lakhs)

Particulars	2021-2022	2020-2021
Net Sales	15080.56	8803.49
Other Income	549.10	27.46
Total Income	15629.66	8830.95
PBDIT	466.78	320.29
Finance Charges	124.23	125.42
Depreciation	109.99	54.45
Profit Before Tax	232.56	140.42
Provision for Tax	51.66	23.96
Deferred Tax Liability/(Asset)	17.34	12.78
Profit After Tax	163.56	103.68
EPS - Basic and Diluted	1.55	0.98

### Sales Turnover

Your Company manufactures Rice Bran Oil in its Solvent Unit along with the by-product i.e. De-Oiled Rice Bran. Power is being produced in the Power Plant during the entire period of 12 months. Your Company is manufacturing iron ingots in its Steel Division. Your company is paddy milling in its Rice Division. After inter-segment eliminations, your Company has achieved a turnover of Rs. 15080.56 lakhs.

### Other Income

Other income mainly consists of freights & hire charges, interest on fixed deposits with banks and Insurance claim from Machinery break down policy.

### Expenses

The Company has achieved cost efficiency due to overall control on overheads. The units of solvent extraction, power, steel ingots have performed well.

### Finance Charges

Interest on loans during the year was Rs.124.23 lakhs as against Rs.119.28 lakhs for the year 2021-2022.

### Profit Before Depreciation, Interest And Taxes (PBDIT)

PBDIT was Rs. 466.78 lakhs as against Rs. 320.29 lakhs for the year ending 31<sup>st</sup> March 2021. The increase in PBDIT was profit increase in Solvent division due to Sales increase and profit increase in Power Division due to purchase cost decrease of raw material

### Profit After Tax (PAT)

Profit after tax was Rs.163.56 lakhs for the year 2021-2022 as against Rs.103.68 lakhs for the year 2021-2022.

### Earnings Per Share (EPS)

EPS has been increased from Rs. 0.98 to Rs. 1.55 for the year under review.

### Fixed Assets

Addition to the Fixed Assets of the Solvent Division unit amounts to Rs.27.29, Steel Division Unit amount to Rs.11.96 lakhs and Rice mill Division unit to Rs.279.11 lakhs.

### Inventories

Major items of inventories as on 31<sup>st</sup> March 2022 are as

Particulars	31/03/2022(Rs.in lakhs)	31/03/2021(Rs.in lakhs)
Raw Materials	417.36	328.60
Finished Goods	751.72	340.09
Stores & Spares	369.88	271.33

### Receivables

Receivables as on 31/03/2022 amounted to Rs.2517.53 lakhs as against Rs.2370.92 lakhs as on 31/03/2022.

### Cautionary Statement:

Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates, etc., may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections, etc., whether expressed or implied. Several factors could make a significant difference to the Company's operations. These include climatic conditions, economic conditions affecting demand and supply, Government Regulations and taxation, natural calamities etc., over which the Company does not have any control.

### CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance.

Balaji Agro Oils Limited (hereinafter called as BAOL) is one of the fore runners in the industry to have forwarded a formalized system of Corporate Governance.

### The Company's Governance Philosophy

BAOL observes corporate governance as crystallized philosophy by which the Companies are lead and controlled to enhance their value creating capabilities. Since the corporate bodies are engaging vast quantum of resources, BAOL believes and observes the governance philosophy to ensure that these resources are utilized to gear up to the aspirations of associates, shareholders and society at large.

BAOL's corporate Governance structure and processes are based on pillars of:

- Ensuring adequate control systems to enable the Board effectively discharge its responsibilities to all the stakeholders of the Company.
- Ensuring that the decision making process is fair and as transparent as possible, given the intricacies of its business.
- Ensuring fullest commitment of the Management and the Board to maximize shareholder value.

### The Governance Structure

The practice of Corporate Governance in BAOL is at two interlinked levels:

1. Strategic supervision and management – Board of Directors
2. Executive Management – by the Divisional Executives

### Board of Directors

The primary role of the Board is that of trusteeship and ensuring the Company is set clearly on goals to enhance shareholder value constantly. They set strategic goals, provide direction for accomplishment and seek accountability. Thus they manage the Company and periodically review their own functioning.

### Composition of the Board

The following is the composition of the Board as on 31<sup>st</sup> March 2022.

### Composition of the Board

The following is the composition of the Board as on 31<sup>st</sup> March 2022.

Category	No. of Directors	Percentage of Total No. of Directors.
Promoter Executive Directors	2	25.00%
Promoter Non-Executive Directors	1	12.50%
Promoter - Woman Director	1	12.50%
Non - Executive Independent Directors	4	50.00%
Total	8	100 %

As on 31<sup>st</sup> March 2022, the Company's Board consists of 8 (Eight) members. The Board has two Executive Directors, six Non-Executive Independent Directors among whom one is Woman Director. The details of the composition are as follows:

Sl. No	Name of the Director	Category of Director	No. of Directorships in other companies		Committee Memberships	
			Chairman	Member	Chairman	Member
01	V.Venkataramaiah	Promoter	--	1	--	--
02	V.Balaji	Promoter	--	1	--	--
03	V.Suraj Kumar	Promoter	--	1	--	1
04	V. Sangeetha	Woman Director	--	1	--	--
05	Koduru Nagendra Babu	Independent	--	-	-	3
06	Kodali Koteswara Rao	Independent	-	-	-	3
07	G Bapuji	Independent	--	1	3	1
08	G. Ramesh Babu	Independent	--	1	1	3

Number of Board Meetings held in Financial Year 2021-22 with dates and attendance of Directors

Four (4) Board Meetings were held during the Financial Year 2021-2022, viz., on 30<sup>th</sup> June 2021, 14<sup>th</sup> August, 2021, 13<sup>th</sup> November, 2021 and 14<sup>th</sup> February, 2022.

The attendance record of each director was as under:

Sl.No	Name of the Director	No. of Board Meetings attended	Attendance at last AGM
01	V.Venkataramaiah	4	YES
02	V.Balaji	4	YES
03	V.Suraj Kumar	4	YES
04	V. Sangeetha	4	YES
05	Bapuji Gottipati	4	YES
06	Ramesh Babu Gottipati	4	YES
07	Koduru Nagendra Babu	3	YES
08	Kodali Koteswara Rao	3	YES

### Code of Business Conduct and Ethics

The Company is in compliance with the requirements of the revised guidelines on Code of Corporate Governance enunciated in the provisions of SEBI (LODR) Regulations, 2015 and has adopted Code of Business Ethics and Conduct applicable to the Directors and all the senior management personnel of the Company. It is the responsibility of the Directors and all the senior management personnel to familiarize themselves with this Code and comply with its standards.

### Committees of the Board

The Four committees of the Board are - the Audit Committee, the Stakeholders Relationship Committee, Nomination and Remuneration Committee and CSR Committee. The respective Chairman convenes the committee meetings. The composition of the committees and the related attendance are provided below. Company Secretary of the Company acts as the Secretary for all the Board Committees.

### Audit Committee

Audit Committee of the Company provides reassurance to the Board on the existence of an effective internal control environment in the Company. It also is empowered to investigate on the terms of reference by the Board and oversees the Company's financial reporting and compliances with statutes are a few to list. The constitution of the committee is also in compliance with Section 177(1) of the Companies Act, 2013.

### Composition

The Audit Committee consists of the following members:

1. Bapuji Gottipati Chairman
2. Ramesh Babu Gottipati Member
3. Koteswara Rao Kodali Member
4. Nagendra Babu Koduru Member
5. Kandimalla Ravi Varma Member \*\*\*\*
6. Representative of Auditors Permanent Invitee

\*\*\*Mr. Kandimalla Ravi Varma, who was an Independent Director and a Member of the Committee has resigned from his office with effect from 14<sup>th</sup> August, 2021 and Mr. Koteswara Rao Kodali and Mr. Nagendra Babu Koduru have been appointed as Independent Directors on 14<sup>th</sup> August, 2021 and were appointed as Members of the Committee on the same day.



The above composition of the Audit Committee consists of 4 (four) Independent Directors.

#### Attendance

Details of the meetings held during the year.

Sl.No.	Date	Committee Strength	No. of Members Present
01	30/06/2021	3	3
02	14/08/2021	4	4
03	13/11/2021	4	4
04	14/02/2022	4	4

#### Terms of Reference

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the Board, focusing primarily on any changes in accounting policies and practices.
- Major accounting entries based on exercise of judgment by the management.
- Significant adjustments arising out of audit.
- The going concern assumption.
- Compliance with the accounting standards.
- To hold periodic discussions with the Statutory Auditors of the Company concerning the accounts of the Company, internal control systems and observations of the Auditors.
- To review the un-audited financial statements before submission to the Board.
- To have full access to information contained in the records of the Company.
- The recommendations of the Audit committee on any matter relating to financial management including the audit report shall be binding on the Board.

- To make recommendations to the Board on any matter relating to the financial management of the Company, including the Audit report.
- Reviewing with the management, external and the adequacy of internal control systems.
- Discussion with external auditors before the audit commences, nature and scope of audit as well as has post-audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

#### Stakeholders Relationship Committee

The Stakeholders Relationship Committee under the nomenclature of Investor Grievance Committee oversees redresses of shareholder and investor grievances, and approves sub - division / transmission of shares, issue of duplicate share certificate, etc.

#### Composition

The Stakeholders Relationship Committee consists of the following members:

During the financial year, the Committee was duly reconstituted, in pursuance to the resignation of Mr. Kandimalla Ravi varma, with the following

- |    |                       |          |
|----|-----------------------|----------|
| 1. | Bapuji Gottipati      | Chairman |
| 2. | Ramesh Babu Gottipati | Member   |
| 3. | Koteswara Rao Kodali  | Member   |
| 4. | Nagendra Babu Koduru  | Member   |

The above composition of the Stakeholders Relationship Committee consists of 4(four) Independent Directors.

#### Attendance

Details of the meetings held during the year.

Sl.No.	Date	Committee Strength	No. of Members Present
01	30/06/2021	3	3
02	14/08/2021	4	4
03	13/11/2021	4	4
04	14/02/2022	4	4

### Shareholder Complaints

During the year under review, the Company has not received any complaints.

### Nature of Complaints

NA

### Nomination and Remuneration Committee

The Committee oversees the review the remuneration to the Executive Directors.

### Composition

During the financial year, the Committee was duly reconstituted, in pursuance to the resignation of Mr. Kandimalla Ravi Varma, with the following

- |    |                       |          |
|----|-----------------------|----------|
| 1. | Bapuji Gottipati      | Chairman |
| 2. | Ramesh Babu Gottipati | Member   |
| 3. | Koteswara Rao Kodali  | Member   |
| 4. | Nagendra Babu Koduru  | Member   |

### Attendance

Details of the meetings held during the year.

Sl.No.	Date	Committee Strength	No. of Members Present
01	30/05/2021	3	3
02	14/08/2021	4	4
03	13/11/2021	4	4
04	14/02/2022	4	4

### CSR Committee

The Committee oversees the policy of CSR.

### Composition

During the financial year, the Committee was duly reconstituted, in pursuance to the resignation of Mr. Kandimalla Ravi Varma, with the following

- |    |                          |          |
|----|--------------------------|----------|
| 1. | Ramesh Babu Gottipati    | Chairman |
| 2. | Suraj Kumar Vallabhaneni | Member   |
| 3. | Bapuji Gottipati         | Member   |

### Attendance

Details of the meetings held during the year.

Sl.No.	Date	Committee Strength	No. of Members Present
01	30/06/2021	3	3

1. The Company does not have any stock option scheme.
2. As such the Company currently does not pay any remuneration including sitting fees to its Non - Executive Directors, except to Sri. Vallabhaneni Venkatramaiah.

### 3. Details of the remuneration to Directors:

Name	Salary	Perquisites	Total
V.Venkataramaiah	6,75,000	--	6,75,000
V.Balaji	15,75,000	--	15,75,000
V.Suraj Kumar	15,75,000	--	15,75,000
Koduru Nagendra Babu	--	--	--
Kodali Koteswara Rao	--	--	--
V. Sangeetha	--	--	--
G. Bapuji	--	--	--
G. Ramesh Babu	--	--	--
<b>TOTAL</b>	<b>38,25,000</b>	<b>--</b>	<b>38,25,000</b>

### Disclosures

Company does not have any materially significant related party transactions, which may have potential conflict with the interests of the Company. Other related party transactions have been reported at **Sl. No. 26 of Notes on Accounts.**

### Whistle Blower Mechanism

The Company promotes ethical behavior in all its business activities and has put in place mechanism of reporting illegal or unethical behavior. Employees are free to report violations of laws, rules regulations or unethical conduct to their immediate supervisor/notified person. No employee of the Company has been denied access to the Audit Committee. The directors and senior Management are obligated to maintain confidentiality of such reporting's and ensure that the whistle blowers are not subjected to any discriminatory practices.

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

Your Company has complied with all the mandatory requirements of the Code of Corporate Governance enunciated in provisions of SEBI (LODR) Regulations, 2015. The details of these compliances have been given in relevant sections of this report. The status of compliance with the non - mandatory requirements is given at the end of this report.

### Core Skill/Expertise/Competencies

As stipulated under Schedule V of the SEBI Listing Regulations, core skills / expertise / competencies, as required in the context of the business and sector for it to function effectively and those actually available with the Board have been identified by the Board of Directors.

Chart/Matrix of such core skills/expertise/competencies is given in the Table below:

List of Core Skills/Expertise/Competencies identified by the Board of Directors:

S.No.	Name of the Director	Core Skills/Expertise/Competencies
1.	Sri.V.Venkatramaiah	Experience in Rice Milling, Pisciculture
2.	Sri.V.Balaji	Experience in Rice Milling& Solvent extraction
3.	Sri.V.Suraj Kumar	Entire Production & financial aspects of the whole Company
4.	Smt.V.Sangeetha	Experience in Solvent extraction and rice milling
5	Sri. K.Nagendra Babu	Experience in Hotel business
6	Sri.G.Bapuji	Audit and Risk Management
7	Sri. G.Ramesh Babu	Sales and Marketing
8	Sri. Kodali Koteswara Rao	Construction business

#### Non-Disqualification of Directors

Sri. Mahesh Grandhi, Company Secretary in practice has certified that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

#### Fees Paid to Statutory Auditors

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all the entities in the network firm/ network entity of which the statutory auditor is a part, are as follows:

Type of Service	Financial Year ended 31/03/2022
Audit Fees	1,00,000
Tax Fees	50,000
Others	50,000
<b>TOTAL</b>	<b>2,00,000</b>

#### Disclosure on Accounting Treatment

In the preparation of financial statements for the financial year 2021-22 there is no treatment of any transaction different from that prescribed in Accounting Standards.

#### Management discussion and analysis

This annual report has a detailed chapter on management discussion and analysis.

#### General Body Meetings

##### Annual General Meeting

The Annual General Meetings of the shareholders of the Company for the last three years were held as under:

Year	Venue	Date	Time
2018-2019	Registered Office of the Company	30-09-2019	11:00AM
2019-2020	Registered office of the Company	16-12-2020	11:00 AM
2020-2021	Registered Office of the Company	30-09-2021	11:00 AM

No special resolutions were put through postal ballot last year. Presently, the Company does not have any proposal for postal ballot.

#### Extra Ordinary General Meeting

No Extra Ordinary General Meeting of the shareholders of the Company was held during the year.

#### Cases of Non-Compliance

There has been no instance of Non-compliance by the Company on any matter related to capital markets during the last three years except the intimation of specified information under Regulations 34 and 23(9) with a delay and the same was condoned by the Stock Exchange. Hence, the question of penalties or strictures being imposed by SEBI or the stock exchange does not arise.

#### Means of Communication

- Quarterly, half yearly and annual financial results of the Company were duly communicated to the stocks exchanges in which the Company is listed. However, the same were duly considered and approved by the Board and were published in prominent English and Telugu News papers.
- As the equity shares of the Company are listed with Stock Exchanges, the annual results have been published as per listing agreements in prominent English and Telugu News papers.

### CEO/ CFO Certification

In line with the requirements of Regulation 17 of the Listing Regulations, Sri Donepudi Mallikarjuna Rao, CFO has submitted a certificate to the Board, certifying inter-alia, that the Financial Statements and the Cash Flow Statement for the year ended March 31, 2022 were reviewed to the best of their knowledge and belief, that they do not contain any material untrue statement, do not omit any material facts, are not misleading statements, together present a true and fair view and are in compliance with the applicable laws and regulations. The certificate further confirms that the transactions entered into by the Company for establishing internal control, financial reporting, evaluation of the internal control systems and making of necessary disclosures to the Auditors and the Audit Committee have been complied with.

### General Shareholder Information

#### A. Annual General Meeting

Date and Time : 30<sup>th</sup> September, 2022 at 11.00 A.M.  
Venue : D.No.74-2-19, Old Check Post Center,  
Krishna Nagar, Vijayawada.

#### B. Financial Year 2021-2022

First Quarter Results : July/August 2022  
Second Quarter Results : October/November 2022  
Third Quarter Results : January/February 2023  
Annual Results : May/June 2023

C. Dates of Book Closure : 24<sup>th</sup> September to 30<sup>th</sup> September 2022  
(both days inclusive).

D. Dividend Payment Date : N.A.

E. Listing on Stock Exchanges : The Company's shares are listed on Metropolitan Stock Exchange of India Limited, Mumbai.

F. Stock Code : Not Available

G. Stock Price Data : The Company's stock is not quoted during the year.

H. Stock Performance : The Company's stock is not quoted during the year.

### I. Registrars and Share Transfer Agents:

The Company's equity shares being in compulsory demat list are transferable through the depository system for which the Company has established connectivity through XL Softech Systems Limited, 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad and they are the Registrars and Share Transfer Agents (Both Physical and Depository).

### J. Share Transfer System

The Shares lodged for transfer at the Registrar's address are normally processed within 15 days from the date of lodgement, if the documents are clear in all respects. All requests for dematerialization of shares are processed and the confirmation is given to the depositories within 15 days. With a view to expedite the process of share transfers, the Board has appropriately delegated the powers of approval of share transfers. The work of Registrars and Share Transfer Agents is being monitored and reviewed. The dematerializations of shares are directly transferred to the beneficiaries by the Depositories.

### K. Reconciliation of Share Capital Audit:

As stipulated by the SEBI, a qualified Practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted Capital with NSDL and CDSL and the total issued and listed capital. The Audit is carried out every quarter and the Report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors. The Report inter-alia confirms the total listed and paid up share capital of the Company is in agreement with the aggregate of the total dematerialised shares and those in the physical mode.

### L. Share Holding Pattern

Range	No. of Shareholders	% of Total Shareholders	No. of shares held	% of shareholding
1-5000	195	35.52	73,300	0.69
5,001-10,000	162	29.51	1,44,600	1.37
10,001-20,000	74	13.48	1,17,600	1.11
20,001-30,000	16	2.91	41,100	0.39
30,001-40,000	24	4.37	83,100	0.79
40,001-50,000	12	2.19	58,600	0.55
50,001-1,00,000	25	4.55	1,72,995	1.64
1,00,001- and above	41	7.47	98,85,800	93.46
TOTAL	549	100.00	1,05,77,095	100.00

**M. Dematerialization of Shares and Liquidity**

The Equity shares of the Company which are in compulsory demat list with effect from 26 June 2000 are available for trading under NSDL. The ISIN allotted to the Company's equity shares is INE049E01011. All requests for dematerialization of shares are processed within the time frame of 7 (seven) days. However, the trading facility is not available with the Metropolitan Stock Exchange of India Limited, Mumbai.

**N. Plant Location**

Balaji Agro Oils Limited  
Davuluru Village,  
Kankipadu Mandal,  
Krishna District, Andhra Pradesh.

**O. Address for Correspondence**

1. For both physical and electronic form and any unresolved complaints

XL Softech Systems Limited  
3, Sagar Society, Road No.2,  
Banjara Hills, Hyderabad.

2. Further unresolved complaints

Sridevi Chintada  
Company Secretary and Compliance Officer  
Balaji Agro Oils Limited  
D.No.74-2-19, Old Check Post Centre,  
Krishna Nagar, Vijayawada – 520 007.

**Depository Services:**

For guidance on Depository Services, Shareholders may write to the Company or to the respective Depositories:

National Securities Depository Ltd Trade World, 4 <sup>th</sup> Floor, Kamala Mills Compound, Lower Parel, Mumbai – 400 013 Tel : 091-022-24972964-70 Fax : 091-022-24972993 / 24976351 Email : <a href="mailto:info@nsdl.co.in">info@nsdl.co.in</a>	Central Depository Services (India) Ltd PhirozeJeejeebhoy Towers, 17 <sup>th</sup> Floor, Dalal Street, Mumbai – 400 023 Tel : 091-022-22723333/22723224 Fax: 091-022-22723199 Email : <a href="mailto:investors@cdslindia.com">investors@cdslindia.com</a>
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**Company's Policy on prevention of Insider trading:**

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, and in continuation with your Company's efforts to enhance the standards of corporate governance in the Company and to strictly monitor and prevent insider trading within the Company, your Company has in place a Code of Conduct which is approved by the Board.

On December 31, 2018, Securities and Exchange Board of India amended the Prohibition of Insider Trading Regulations, 2015, prescribing various new requirements with effect from April 1, 2019. They were further amended on 17th July, 2020 vide SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2020. In line with the amendments, your Company has adopted an amended Code of Conduct to regulate, monitor and report trading by Designated Persons and their Immediate Relatives under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. This Code of Conduct also includes code of practices and procedures for fair disclosure of unpublished price sensitive information.

**Annexure – 2**

**FORM NO. AOC -2**

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

1. Details of contracts or arrangements or transactions not at Arm's length basis : NIL

1. Details of contracts or arrangements or transactions not at Arm's length basis : NIL

SL No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NA
b)	Nature of contracts/arrangements/transaction	NA
c)	Duration of the contracts/arrangements/transaction	NA
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
e)	Justification for entering into such contracts or arrangements or transactions'	NA
f)	Date of approval by the Board	NA
g)	Amount paid as advances, if any	NA
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

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

The transactions entered into by the Company during the year with related parties on an arm's length basis were not material in nature.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Sreehitha Refineries Limited
b)	Nature of contracts/arrangements/transaction	Purchase and Sale of Rice Bran Oil
c)	Duration of the contracts /arrangements / transaction	1 year
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	In the Normal Business Practices
e)	Date of approval by the Board	30.06.2021
f)	Amount paid as advances, if any	NIL
g)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	N.A.

## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
**Balaji Agro Oils Limited**

### Report on the Audit of the Financial Statements

I have audited the financial statements of **Balaji Agro Oils Limited** ("the Company"), which comprise the balance Sheet as at 31<sup>st</sup> March 2022, the statement of Profit and Loss, statement of cash flows for the year then ended and notes to the financial statements, including summary of significant accounting policies and other explanatory information.

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid financial statements give the information required by Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2022;
- (b) in the case of Profit and Loss Account, of the profit/loss for the year ended on 31<sup>st</sup> March, 2022; and
- (c) in the case of Cash Flow Statement, of the cash flows for the year ended on 31<sup>st</sup> March 2022;

#### Basis for Opinion

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

#### Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board Report and Shareholder's Information, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance, conclusion thereon.

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

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

#### **Responsibilities of Management and those Charged with Governance for the Financial Statements**

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

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

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, I am also responsible for expressing my opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government in terms of Section 143(11) of the Act, I give in 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, I report that:
  - (a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
  - (b) In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In my opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to my separate Report in "Annexure B".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules,

2014, in my opinion and to the best of my information and according to the explanations given to me:

- i) The Company does not have any pending litigations, which would impact its financial position.
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) There were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - v) Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to my notice that has caused me to believe that the representations made by the management contain any material mis-statement.
- (h) No dividend was declared or paid during the year by the company.

Place: Vijayawada  
Date: 30<sup>th</sup> May, 2022

Sd/-  
Polavarapu Janardhan  
Chartered Accountant  
ICAI M.No: 26498  
UDIN: 22026498AJWKS2261



## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of my report of even date)

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

I have audited the internal financial controls over financial reporting of Balaji Agro Oils Limited ('the Company') as of March 31, 2022 in conjunction with my audit of the financial statements of the Company for the year ended and as on that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditor's Responsibility

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that I comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained is sufficient and appropriate to

provide a basis for my audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

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

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

#### Opinion

In my opinion, to the best of my information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

Place: Vijayawada  
Date: 30<sup>th</sup> May, 2022

Sd/-  
Polavarapu Janardhan  
Chartered Accountant  
ICAI M.No: 26498  
UDIN: 22026498AJWKS2261

**ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT**  
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of my report of even date)

Report on Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of Balaji Agro Oils Limited ('the Company')

- i. In respect of the Company's Property, Plant & Equipment
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, Plant & Equipment.
- (B) Since the company does not hold any intangible assets, the provisions of Clause 3(i)(a)(B) of the Order are not applicable.
- (b) The Property, Plant & Equipment were physically verified during the year by the Management at reasonable intervals. According to the information and explanations given to me, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to me and the records examined by me and based on the examination of the conveyance deeds provided to me, I report that, the title deeds, comprising all the immovable properties which are freehold, are held in the name of the Company as at the balance sheet date.
- (d) Since the company has not revalued its Property, Plant & Equipment or intangible assets during the year under review, the provisions of Clause 3(i)(d) of the Order are not applicable.
- (e) Since the company does not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, the provisions of Clause 3(i)(e) of the Order are not applicable.
- ii. In respect of the Company's Inventories & Working Capital Limits
- (a) The management has conducted physical verification of inventory at reasonable intervals throughout the year. The Company has maintained proper records of inventories and the discrepancies noticed on physical verification of stocks as compared to book records, which in my opinion were not material, have been properly dealt with in the books of account.
- (b) The Company has been sanctioned working capital limits in excess of Rs.5 crores from several banks on the basis of security of current assets during

- the year under consideration. Quarterly statement of current assets is not being issued to banks, hence I cannot comment on the same.
- iii. In our opinion and according to the information and explanations given to me, during the year the company has not made any investments in, nor provided any guarantee or security or not granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties and hence reporting under Clause 3(iii) of the Order is not applicable.
- iv. According to the information and explanations given to me and on the basis of my examination of the records of the company, the company has neither made any investments nor has given loans or provided guarantee or security as specified under Section 185 of the Companies Act, 2013 ("The Act") and the company has not provided any security as specified under section 186 of the Act. Further, in my opinion, the company has complied with the provisions of section 186 of the Act in relation to loans given, guarantees provided and investments made.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2022 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. I have broadly reviewed the books of account maintained by the company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under Sub-section (1) of Section 148 of the Act and I am of the opinion that prima facie, the prescribed accounts and records have been maintained and are being made up. I have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Income Tax, Goods and Service Tax and other material statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of wealth tax, customs duty, excise duty, provident fund and cess were in arrears, as at 31<sup>st</sup> March, 2022 for a period of more than six months from the date they became payable.
- (b) There were no dues of Income Tax, Good and Service Tax, duty of Customs, duty of Excise and Cess which have not been deposited as at March 31, 2022 on account of dispute except value added tax and central sales tax the details of which are as given below:

Name of the Statute	Nature of Dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
CST	Non consideration of F Form & C Form	3,97,957	2003-2004	Appellate Tribunal
VAT	DOB Stock transfer to Fish division-input restrict	5,86,960	2005-2006	Appellate Tribunal
CST	Non consideration of 'F' Forms submitted	3,65,022	2007-2008	Appellate Tribunal
VAT	Input Tax Disallowed	121,095	01-01-2009 to 31-03-2011	Appellate Tribunal
VAT	Input Tax Disallowed	1,04,415	01-04-2011 to 31-10-2013	Appellate Tribunal

vii. According to the information and explanations given to me and on the basis of my examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax, 1961 as income during the year.

ix.

- (a) According to the information and explanations given to me and on the basis of my examination of the records, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to me and on the basis of my examination of the records, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.
- (c) In my opinion and according to the information and explanations given to me by the management, no term loans were obtained during the year.
- (d) According to the information and explanations given to me and on an overall examination of the balance sheet of the Company, I report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not have subsidiaries, associates or joint ventures. Hence, reporting under this clause is not applicable.
- (f) The Company does not have subsidiaries, associates or joint ventures. Hence, reporting under this clause is not applicable.

x.

- (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

- (b) According to the information and explanations given to me and on the basis of my examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

xi.

- (a) Based on examination of the books and records of the Company and according to the information and explanations given to me, considering the principles of materiality outlined in the Standards on Auditing, I report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to me, no report under sub-section(12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) The Company has not received any whistle-blower complaints during the year.

xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

xiii. In my opinion and according to the information and explanations given to me, the transactions with related parties are in compliance with Section 177 & 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. (a) Based on the information and explanations provided to me and my audit procedures, in my opinion, the company has an internal audit system commensurate with the size and nature of its business.

(b) I have considered the internal audit reports of the company issued till date for the period under audit.

xv. In my opinion and according to the information and explanations given to me, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

xvi.

- (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi)(a) and 3(xvi)(b) of the Order are not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the

regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) Reporting under Clause 3(xvi)(d) is not applicable as the company does not have any holding/subsidiary/associate/joint venture companies.

xvii. The Company has not incurred cash losses in the current and in the immediately preceding financial year.

xviii. There was no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

xix. According to the information and explanations given to me and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, my knowledge of the Board of Directors and management plans and based on my examination of the evidence supporting the assumptions, nothing has come to my attention, which causes me to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. I, however, state that this is not an assurance as to the future viability of the Company. I further state that my reporting is based on the facts up to the date of the audit report and I neither give any guarantee nor provide any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. Since the company does not require to comply with the provisions of Section 135 of the Companies Act, 2013, reporting under Clause 3(xx) of the Order is not applicable.

xxi. Reporting under Clause 3(xxi) is not applicable as the company does not have any holding/subsidiary/associate/joint venture companies.

Place: Vijayawada  
Date: 30<sup>th</sup> May, 2022

Sd/-  
**Polavarapu Janardhan**  
Chartered Accountant  
ICAI M.No: 26498  
UDIN: 22026498AJWKS2261

**BALAJI AGRO OILS LIMITED**  
Balance Sheet as at 31st March, 2022  
(Rupees In Lakhs)

Particulars		Note No.	As at 31.03.2022	As at 31.03.2021
<b>I. EQUITY AND LIABILITIES</b>				
<b>1 Shareholders' funds</b>				
(a)	Share capital	2	1,057.71	1,057.71
(b)	Reserves and surplus	3	1,435.61	1,272.05
(c)	Money received against share warrants		-	-
<b>2 Share application money pending allotment</b>				
<b>3 Non-current liabilities</b>				
(a)	Long-term borrowings	4	1,334.93	1,421.93
(b)	Deferred tax liabilities (Net)	5	60.12	42.78
(c)	Other Long term liabilities		-	-
(d)	Long-term provisions		-	-
<b>4 Current liabilities</b>				
(a)	Short-term borrowings	6	2,055.20	1,593.06
(b)	Trade payables	7	46.51	29.51
(c)	Other current liabilities	8	126.88	81.33
(d)	Short-term provisions	9	38.82	23.44
<b>TOTAL</b>			<b>6,155.77</b>	<b>5,521.81</b>
<b>II. ASSETS</b>				
<b>1 Non-current assets</b>				
<b>(a) Property, Plant and Equipment and Intangible Assets</b>				
(i)	Property, Plant and Equipment	10	1,463.98	1,255.85
(ii)	Intangible Asset		-	-
(iii)	Capital work-in-progress		-	-
(iv)	Intangible asset under development		-	-
<b>(b) Non-current investments</b>				
(c)	Deferred tax assets (net)		-	-
(d)	Long-term loans and advances		-	-
(e)	Other non-current assets	12	11.35	11.13
<b>2 Current assets</b>				
(a)	Current Investments		-	-
(b)	Inventories	13	1,538.97	940.03
(c)	Trade Receivables	14	2,517.53	2,370.93
(d)	Cash and cash equivalents	15	341.34	725.59
(e)	Short-term loans and advances	16	82.88	20.87
(f)	Other current assets	17	194.39	192.06
<b>TOTAL</b>			<b>6,155.77</b>	<b>5,521.81</b>

Notes form an integral part of financial statements

26

As per my report of even date

FOR AND ON BEHALF OF THE BOARD

Sd/-  
**Polavarapu Janardhan**  
Chartered Accountant  
M.No:026498

Sd/-  
**(V.VENKATRAMAIAH)**  
Director  
DIN:00227148

Place: Vijayawada  
Date: 30th May 2022  
Sd/-  
**(V.BALAJI)**  
Wholetime Director  
DIN:00227309

Sd/-  
**(V.SURAJ KUMAR)**  
Managing Director  
DIN:00227366  
Sd/-  
**(SRIDEVI CHINTADA)**  
Company Secretary  
ACS 54261  
Sd/-  
**(D. MALLIKARJUNARAO)**  
C.F.O

**BALAJI AGRO OILS LIMITED**  
**Profit and Loss Statement for the year ended 31st March, 2022**  
 (Rupees in Lakhs except equity share and per equity share data)

Particulars	Note No.	Year Ended 31.03.2022	Year Ended 31.03.2021
<b>Income:</b>			
I. Revenue from operations	18	15,080.56	8,803.49
II. Other income	19	549.10	27.46
<b>III. Total Income (I + II)</b>		<b>15,629.66</b>	<b>8,830.95</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	20	13,422.26	7,474.27
Purchases of Stock-in-Trade	21	115.45	-
Changes in inventories of finished goods, WIP & Stock-in-Trade	22	(411.62)	(178.02)
Employee benefits expense	23	509.52	356.06
Finance costs	24	124.23	119.28
Depreciation and amortization expense	10	109.99	54.45
Other expenses	25	1,527.27	864.50
<b>Total expenses</b>		<b>15,397.09</b>	<b>8,690.54</b>
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>232.57</b>	<b>140.42</b>
VI. Exceptional items & Extraordinary items		-	-
<b>VII. Profit before tax (V- VI)</b>		<b>232.57</b>	<b>140.42</b>
<b>VIII. Tax expense:</b>			
(1) Current tax		38.82	23.44
(2) Deferred tax liability/(asset)		17.34	12.78
(3) Earlier Year Tax		0.22	0.18
(4) MAT (Entitlement)/Adjustment		12.62	0.34
<b>IX. Profit for the year (VII-VIII)</b>		<b>163.56</b>	<b>103.68</b>
<b>X. Earnings per Equity Share:</b>			
Weighted average number of Equity Shares		10,577,095	10,577,095
Basic & diluted earnings per share, including exceptional item (in Rs.)		1.55	0.98
Basic & diluted earnings per share, excluding exceptional item (in Rs.)		1.55	0.98
Nominal value per share (in Rs.)		10.00	10.00

Notes form an integral Part of financial statements

26

As per my report of even date

FOR AND ON BEHALF OF THE BOARD

Sd/-  
 Polavarapu Janardhan  
 Chartered Accountant  
 M.No:026498

Sd/-  
 (V.VENKATRAMAIAH)  
 Director  
 DIN:00227148

Place: Vijayawada  
 Date: 30th May 2022

Sd/-  
 (V.BALAJI)  
 Wholtime Director  
 DIN:00227399

Sd/-  
 (V.SURAJ KUMAR)(SRIDEVI CHINTADA) (D. MALLIKARJUNARAO)  
 Managing Director Company Secretary  
 DIN:00227360 ACS 34261

Sd/-  
 (D. MALLIKARJUNARAO)  
 C.F.O

**BALAJI AGRO OILS LIMITED**  
**Cash Flow Statement for the year ended 31.03.2022**  
 (Rupees in Lakhs)

PARTICULARS	Year ended 31.03.2022	Year ended 31.03.2021
<b>A NET CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit Before Tax	232.57	140.42
Depreciation	109.99	54.45
Profit on Sale of Property, Plant & Equipment	(0.25)	(0.38)
Interest on Fixed Deposits	(6.97)	(1.45)
Interest & Finance Charges	124.23	119.28
Operating Profit before Working Capital Changes	459.57	312.32
(Increase)/Decrease in Short term Loans and Advances	(62.01)	8.41
(Increase)/Decrease in Other Current Assets	(2.32)	(0.58)
(Increase)/Decrease in Inventories	(598.94)	(70.92)
(Increase)/Decrease in Trade Receivables	(146.61)	(574.79)
Increase/(Decrease) in Other Current Liabilities	45.55	28.23
Increase/(Decrease) in Trade Payables	17.00	11.55
Cash Generated from Operations	(287.76)	(285.78)
Less: Direct Taxes Paid (Net off Refund)	(36.28)	(11.24)
Net Cash Flow from Operating Activities	(324.04)	(297.02)
<b>B NET CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Property, Plant & Equipment	(318.37)	(784.78)
Sale of Property, Plant & Equipment	0.50	0.40
Investment Income	6.97	1.45
(Increase)/Decrease in Other Non Current Assets	(0.22)	(6.26)
(Increase)/Decrease in Investments	-	-
Net Cash Flow from Investing Activities	(311.11)	(789.19)
<b>C NET CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from issue of Share Capital	-	-
Increase in Secured Loans	(91.91)	669.21
Increase/(Decrease) in Unsecured Loans	20.22	754.10
Increase/(Decrease) in Working Capital Loan	446.82	433.45
Interest paid	(124.23)	(119.28)
Dividend Paid	-	-
Dividend tax paid	-	-
Net Cash Flow from Financing Activities	250.90	1,737.49
Net Increase in Cash & Cash Equivalents (A + B + C)	(384.25)	651.28
Opening Cash & Cash Equivalents	725.59	74.31
Closing Cash & Cash Equivalents	341.34	725.59

As per my report of even date

FOR AND ON BEHALF OF THE BOARD

Sd/-  
 Polavarapu Janardhan  
 Chartered Accountant  
 M.No:026498

Sd/-  
 (V.VENKATRAMAIAH)  
 Director  
 DIN:00227148

Place: Vijayawada  
 Date: 30th May 2022

Sd/-  
 (V.BALAJI)  
 Wholtime Director  
 DIN:00227399

Sd/-  
 (V.SURAJ KUMAR)(SRIDEVI CHINTADA) (D. MALLIKARJUNARAO)  
 Managing Director Company Secretary  
 DIN:00227360 ACS 34261

Sd/-  
 (D. MALLIKARJUNARAO)  
 C.F.O

## Notes: 1 : SIGNIFICANT ACCOUNTING POLICIES

### 1.1 Basis of Preparation & Use of Estimates:

The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the provisions of the Companies Act, 2013. The preparation of the financial statements, in conformity with generally accepted accounting principles, requires the use of estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amounts of revenues and expenses during the year and disclosure of contingent liabilities as at that date. The estimates and assumptions used in these financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of the financial statements.

### 1.2 Income recognition:

- (a) Revenue is recognized on completion of sale of goods.
- b) All other income is recognized on accrual basis.

### 1.3 Property, Plant & Equipment and Depreciation / Amortization:

Property, Plant & Equipment are stated at historical cost less accumulated depreciation. Historical cost is inclusive of freight, duties and installation expenses and expenditure during construction where applicable and net of Input GST availed against Tax or cess paid on such items. Depreciation is provided on straight line basis so as to write off the depreciable amount of the asset over the useful lives specified in Schedule II of the Act.

### 1.4 Investments:

Long-term investments comprising Mutual Funds of SBI and National Savings Certificates are valued at Cost.

### 1.5 Foreign Currency Transactions:

There were no foreign currency transactions during the year under review.

### 1.6 Valuation of Inventories:

Inventories are valued as follows:

Raw Material	:	Lower of the Cost or Net Realizable Value
Finished Goods	:	Net Realizable Value.

Cost comprises of cost of purchase, cost of conversion and other cost incurred in bringing them to their respective present location and condition.

Cost of raw materials, stores and spares is determined on FIFO basis. Cost of Finished Goods is determined on absorption costing

### 1.7 Employee Benefits:

The provisions of Provident Fund Act are applicable to the company and the company is generally regular in depositing the dues with the appropriate authorities.

The provisions of ESI Act are applicable to the company and the company is generally regular in depositing the dues with the appropriate authorities.

Provisions of Payment of Bonus Act are applicable to the company and paying bonus @8.33%.

The provisions of Payment of Gratuity Act are applicable to the company. As per provisions of Accounting Standard – 15 'Accounting for Employee Benefits', the company has taken a policy with LIC of India to meet the liability for payment of gratuity and accordingly contributions were being made.

### 1.8 Taxation:

Current tax is provided on the taxable income for the year. Deferred tax liabilities arising from timing differences have been fully provided. Deferred tax assets are recognized on the consideration of prudence.

### 1.9 Impairment of Assets:

The carrying amounts of assets are reviewed at each balance sheet date to ascertain impairment based on internal / external factors. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the net selling price of the assets and their value in use.

### 1.10 Provisions:

Provisions are recognized when the Company has present legal or constructive obligations, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

**BALAJI AGRO OILS LIMITED**  
Notes forming part of the Financial Statements

**Note : 2 : SHARE CAPITAL**

(Rupees in Lakhs)

	As at 31.03.2022	As at 31.03.2021
<b>Authorised Capital:</b> 1,40,00,000 Equity shares of Rs.10/- each	1,400.00	1,400.00
	1,400.00	1,400.00
<b>Issued, Subscribed &amp; Paid Up</b> 1,05,77,095 Equity Shares of Rs.10/- each	1,057.71	1,057.71
<b>Total</b>	<b>1,057.71</b>	<b>1,057.71</b>

Rights, preferences and restrictions attached to:

Equity Shares:- The Company has only one class of equity share having a par value of Rs 10 per share. Each shareholder is eligible for one vote per share. In the Event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.

**Reconciliation of Number of Shares**

Particulars	As on 31.03.2022		As on 31.03.2021	
	Number of Shares	Amount	Number of Shares	Amount
Opening Balance	10,577,095	1,057.71	10,577,095.00	1,057.71
Changes during the year	-	-	-	-
Closing Balance	<b>10,577,095.00</b>	<b>1,057.71</b>	<b>10,577,095.00</b>	<b>1,057.71</b>

Details of Shares held by shareholders holding more than 5% of the aggregate shares in the company

Name of the Shareholder	As at 31st March, 2022		As at 31st March, 2021	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Vallabhaneni Venkatramaiah	1,991,131	18.82	1,991,131	18.82
Vallabhaneni Balaji	1,115,400	10.55	1,115,400	10.55
Vallabhaneni Suraj Kumar	1,074,142	10.16	1,074,142	10.16
Vallabhaneni Sangeetha	984,900	9.31	984,900	9.31
Sreechitra Refineries Limited	1,650,000	15.60	1,650,000	15.60

**Shareholding of Promoters**

Promoter Name	As at 31st March 2022			As at 31st March 2021		
	Number of Shares	% of Total Shares	% Change during the year	Number of Shares	% of Total Shares	% Change during the year
Vallabhaneni Venkatramaiah	1,991,131	18.82	-	1,991,131	18.82	(25.01)
Vallabhaneni Balaji	1,115,400	10.55	-	1,115,400	10.55	-
Vallabhaneni Suraj Kumar	1,074,142	10.16	-	1,074,142	10.16	-
Vallabhaneni Sangeetha	984,900	9.31	-	984,900	9.31	-
Vallabhaneni Srivenkat	332,050	3.14	-	332,050	3.14	-
Vallabhaneni Srihitha	332,050	3.14	-	332,050	3.14	-
Vallabhaneni Hemalatha	320,400	3.03	-	320,400	3.03	-
<b>Total</b>	<b>6,150,073.00</b>	<b>58.15</b>		<b>6,150,073.00</b>	<b>58.15</b>	

**Note : 3 : RESERVES & SURPLUS**

(Rupees in Lakhs)

	As at 31.03.2022	As at 31.03.2021
<b>Capital Reserve</b>		
Opening Balance	31.17	31.17
Add/(Less): Additions/(Deductions) during the year	-	-
Closing Balance	31.17	31.17
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	1,240.88	1,137.20
Add: Profit for the period/year	163.56	103.68
Closing Balance	1,404.44	1,240.88
<b>Total</b>	<b>1,435.61</b>	<b>1,272.05</b>

Note : 4 : LONG-TERM BORROWINGS

(Rupees in Lakhs)

	As at 31.03.2022	As at 31.03.2021
<b>Secured Loans*</b>		
Car Loan with HDFC-50652865	-	-
HDFC Term Loan	403.45	467.39
HDFC Covid Loan	86.11	148.81
<b>Unsecured Loans</b>		
Sales Tax Defferment	19.37	34.73
From Directors and their Relatives	826.00	771.00
<b>Total</b>	<b>1,334.93</b>	<b>1,421.93</b>

\* Nature of Security, terms of repayment for Long Term secured borrowings:

Nature of Security

Car Loan from HDFC Bank Ltd is secured by hypothecation of car purchased out of loan proceeds

Term Loan from HDFC Bank Ltd is secured by hypothecation of plant & machinery acquired out of loan proceeds.

Covid Loan from HDFC Bank Ltd

Terms of Repayment

Repayable in 48 Monthly instalments commencing from October 2017 and last instalment due on September 2021.

Repayable in 84 Monthly instalments commencing from March 2021 and last instalment due on February 2028 with holiday period of 6 months for principal portion.

Repayable in 48 Monthly instalments commencing from July 2020 and last instalment due on June 2024 with holiday period of 6 months for principal portion.

Note : 5 : DEFERRED TAX LIABILITIES

(Rupees in Lakhs)

	As at 31.03.2022	As at 31.03.2021
<b>Deferred Tax Liability on account of</b>		
Depreciation		
Opening Balance	42.78	30.00
Add/(Less): Adjustments during the year	17.34	12.78
<b>Total</b>	<b>60.12</b>	<b>42.78</b>

Note : 6 : SHORT-TERM BORROWINGS

(Rupees in Lakhs)

	As at 31.03.2022	As at 31.03.2021
<b>Secured *</b>		
Cash Credit from HDFC	1,693.72	1,475.65
Cash Credit from Karur Vysya Bank	228.76	-
	1,922.48	1,475.65
<b>Current Maturities of Long Term Borrowings</b>		
Car Loan with HDFC-50652865	-	7.16
HDFC Term Loan	63.50	34.63
HDFC Covid Loan	56.82	43.79
Sales Tax Defferment	12.41	31.83
	132.72	117.41
<b>Total</b>	<b>2,055.20</b>	<b>1,593.06</b>

\*Cash Credit facility from HDFC and Karur Vysya Bank is secured by hypothecation of stock of rawmaterials, finished goods and book debts outstanding for a period not exceeding 180 days.

Note : 7 : TRADE PAYABLES

(Rupees in Lakhs)

	As at 31.03.2022	As at 31.03.2021
Outstanding dues to micro and small enterprises (MSME)	-	-
Outstanding dues to creditors other than micro	46.51	29.51
<b>Total</b>	<b>46.51</b>	<b>29.51</b>

Trade Payables ageing schedule

Particulars (31st March, 2022)	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	46.51	-	-	-	46.51
(iii) Disputed Dues-MSME	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-

Particulars (31st March, 2021)	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	29.51	-	-	-	29.51
(iii) Disputed Dues-MSME	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-



Note : 8 : OTHER CURRENT LIABILITIES

	(Rupees in Lakhs)	
	As at 31.03.2022	As at 31.03.2021
(a) Statutory dues		
TDS Payable	14.96	8.41
GST Payable	4.21	0.90
ESI Payable	0.79	0.56
PF Payable	3.22	2.39
PT Payable	0.07	0.10
Bonus Payable	16.40	14.46
Gratuity Payable	32.89	29.54
Marketing Cess Payable	7.61	-
	80.16	56.36
(b) Other Liabilities		
Salaries Payable	17.45	19.47
Audit Fee payable	1.80	1.80
Others	18.76	3.70
Advance from customers	8.70	-
	46.72	24.97
<b>Total</b>	<b>126.88</b>	<b>81.33</b>

Note : 9 : SHORT-TERM PROVISIONS

	(Rupees in Lakhs)	
	As at 31.03.2022	As at 31.03.2021
Provision for Income Tax	38.82	23.44
<b>Total</b>	<b>38.82</b>	<b>23.44</b>

Note : 10 : PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Block (At Cost)		Depreciation		Net Block	
	Balance as at 1st April, 2021	Addition	Deduction/ Adjustment	As on 31st March, 2022	As on 31st March, 2021	As on 31st March, 2021
Land	73.15	-	-	73.15	73.15	73.15
Factory Building	614.17	0.39	-	19.18	293.46	312.25
Office Building	18.34	24.51	-	0.61	34.23	10.33
Plant & Machinery	2,989.65	288.57	-	61.49	2,411.97	639.17
Lab Equipment	3.08	-	-	0.01	2.87	0.21
Electrical Fittings	132.93	2.12	-	7.28	63.62	76.59
Furniture & Fittings	13.68	-	-	0.90	4.96	9.62
Vehicles	347.43	1.75	18.48	19.32	219.34	129.19
Computer	10.18	1.03	-	0.33	8.88	1.63
Office Equipment	19.45	-	-	0.85	16.67	3.63
Pumpset	0.78	-	-	0.01	0.71	0.08
<b>Total</b>	<b>4,222.83</b>	<b>318.37</b>	<b>18.48</b>	<b>109.99</b>	<b>3,058.74</b>	<b>1,255.85</b>
Previous year total	3,438.45	784.78	0.40	54.45	2,966.98	1,255.85
						525.54

Note : 11 : NON CURRENT INVESTMENTS

	31.03.2022	31.03.2021
SBI Mutual Fund	5.00	5.00
National Savings Certificate	0.36	0.36
	<u>5.36</u>	<u>5.36</u>

Note : 12 : OTHER NON-CURRENT ASSETS

	31.03.2022	31.03.2021
Electricity Deposit	6.00	6.00
Telephone & Gas Deposit	5.35	5.13
	<u>11.35</u>	<u>11.13</u>

Note : 13 : INVENTORIES

	31.03.2022	31.03.2021
Rawmaterials	417.36	328.60
Finished Goods	751.72	340.10
Stores & Spares	369.89	271.33
	<u>1,538.97</u>	<u>940.03</u>

Note : 14 : TRADE RECEIVABLES

	31.03.2022	31.03.2021
Unsecured - Considered Good Trade Receivables	2,517.53	2,370.93
	<u>2,517.53</u>	<u>2,370.93</u>

Trade Receivables ageing schedule

Particulars (31st March, 2022)	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables-considered good	2,231.05	286.48	-	-	-	2,517.53
(ii) Undisputed Trade Receivables-considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables-considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables-considered doubtful	-	-	-	-	-	-

Particulars (31st March, 2021)	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables-considered good	1,450.63	920.30	-	-	-	2,370.93
(ii) Undisputed Trade Receivables-considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables-considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables-considered doubtful	-	-	-	-	-	-

Note : 15 : CASH AND BANK BALANCES

(a) Cash and Cash Equivalents

(i) Balances with banks

In current accounts	75.06	608.89
In deposit accounts	244.16	80.70

(ii) Cash in hand

	22.11	36.00
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	<u>341.34</u>	<u>725.59</u>
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Note : 16 : SHORT-TERM LOANS & ADVANCES

Loans and advances to related parties

Others

Unsecured- considered good

Staff Advances	6.71	9.81
Advance to Suppliers	76.16	11.06

	<u>82.88</u>	<u>20.87</u>
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Note : 17 : OTHER CURRENT ASSETS

	31.03.2022	31.03.2021
Prepaid Insurance & Other Expenses	31.34	20.19
Advance Tax	32.00	25.00
TDS	8.72	1.24
IT Refund Due	21.23	23.38
GST Input	11.78	20.33
MAT Credit Entitlement	89.31	101.94
	<u>194.39</u>	<u>192.06</u>

Note : 18 : REVENUE FROM OPERATIONS

Sale of Goods		
Rice Bran Oil	5,408.60	3,494.40
Deoiled Bran	3,299.54	3,059.26
Power	1,301.69	1,314.91
Gunnies, Ash, Scrap	5.45	6.01
Iron Ingots	2,040.86	873.65
Rice Bran	42.47	-
Raw & Cheeru Broken	1,105.18	55.25
Rice	1,876.77	-
	<u>15,080.56</u>	<u>8,803.49</u>

Note : 19 : OTHER INCOME

Interest on Electricity Deposit	-	0.24
Interest on Fixed Deposit with Banks	6.97	1.21
Insurance claim from Machinery break down policy	4.97	2.99
Freight & Hire Charges	532.35	17.27
Profit on Sale of Vehicle	0.25	0.38
Other Income	4.49	5.37
Creditors written off	0.07	0.00
	<u>549.10</u>	<u>27.46</u>

Note : 20 : COST OF MATERIAL CONSUMED

	31.03.2022	31.03.2021
<b>Solvent Extraction Unit</b>		
<b>A. Opening Stock</b>		
Bran	165.88	247.84
	<u>165.88</u>	<u>247.84</u>
<b>B. Purchases &amp; Direct Expenses</b>		
Bran	6,690.58	5,646.48
Inward Freight	-	0.35
Commission	24.48	20.84
	<u>6,715.06</u>	<u>5,667.66</u>
<b>C. Closing Stock</b>		
Bran	188.99	165.88
	<u>188.99</u>	<u>165.88</u>
	<u>6,691.95</u>	<u>5,749.63</u>
Total =A+B-C		
<b>Power Generation Unit</b>		
<b>A. Opening Stock</b>		
Husk	39.40	119.54
Coal	21.68	5.02
	<u>61.09</u>	<u>124.56</u>
<b>B. Purchases &amp; Direct Expenses</b>		
Husk	685.03	542.03
Coal	91.54	146.87
Corn Hay	213.92	130.48
Chilly Hay	2.35	0.19
Coconut Hay	1.85	4.74
Palm Hay	0.92	0.68
Pulses Hay	0.30	-
Jamoi west	7.34	1.85
Black Gram Hay	0.49	0.64
	<u>1,003.74</u>	<u>827.46</u>
Inward Freight	117.76	149.02
Commission	0.32	-
	<u>1,121.82</u>	<u>976.48</u>

	31.03.2022	31.03.2021
<b>C. Closing Stock</b>		
Husk	94.00	39.40
Coal	1.13	21.68
Coconut Hay	3.57	-
Pulses Hay	0.12	-
Chillies Hay	0.06	-
Jam Oil West	4.00	-
Palm Hay	0.12	-
Black Gram Hay	0.08	-
	<u>103.08</u>	<u>61.09</u>
<b>Total =A+B-C</b>	<u>1,079.83</u>	<u>1,039.95</u>
<b>Steel Ingots Unit</b>		
<b>A. Opening Stock</b>		
Scrap Iron	88.24	41.58
Sponge Iron	13.39	42.28
	<u>101.63</u>	<u>83.85</u>
<b>B. Purchases &amp; Direct Expenses</b>		
Scrap Iron	937.13	349.86
Sponge Iron	598.44	227.25
	<u>1,535.57</u>	<u>577.10</u>
Inward Freight	27.77	13.26
	<u>1,563.33</u>	<u>590.37</u>
<b>C. Closing Stock</b>		
Scrap Iron	73.42	88.24
Sponge Iron	51.87	13.39
	<u>125.29</u>	<u>101.63</u>
<b>Total =A+B-C</b>	<u>1,539.68</u>	<u>572.59</u>
<b>Rice Division</b>		
<b>A. Opening Stock</b>		
Gunnies	9.76	-
	<u>9.76</u>	<u>-</u>
<b>B. Purchases &amp; Direct Expenses</b>		
Paddy	3,665.63	112.10
Gunnies	64.31	9.76
	<u>3,729.94</u>	<u>121.86</u>
Inward Freight	398.18	-
	<u>4,128.12</u>	<u>121.86</u>
<b>C. Closing Stock</b>		
Gunnies	27.08	9.76
	<u>27.08</u>	<u>9.76</u>
<b>Total =A+B-C</b>	<u>4,110.81</u>	<u>112.10</u>
<b>Solvent Extraction Unit</b>		
Power Generation Unit	6,691.95	5,749.63
Steel Ingots Unit	1,079.83	1,039.95
Rice Division Unit	1,539.68	572.59
	<u>4,110.81</u>	<u>112.10</u>
	<u>13,422.26</u>	<u>7,474.27</u>

### Note : 21 : PURCHASES OF STOCK-IN-TRADE

	31.03.2022	31.03.2021
Purchases of Stock-in Trade (Rice)	115.45	-
	<u>115.45</u>	<u>-</u>

### Note : 22 : CHANGES IN INVENTORIES OF FINISHED GOODS, WIP & STOCK-IN-TRADE

	31.03.2022	31.03.2021
Opening Stock of Finished Goods	340.10	162.08
Less: Closing Stock of Finished Goods	751.72	340.10
	<u>(411.62)</u>	<u>(178.02)</u>

### Note : 23 : EMPLOYEE BENEFIT EXPENSES

	31.03.2022	31.03.2021
Salaries, Wages, Bonus & Gratuity	439.19	301.59
Directors Remuneration	38.25	27.00
Staff Welfare & Compensation Expenses	9.88	7.02
Contribution to ESI & PF	22.20	20.45
	<u>509.52</u>	<u>356.06</u>

### Note : 24 : FINANCE COSTS

	31.03.2022	31.03.2021
Interest on Working Capital	5.71	43.35
Interest on Term Loan	41.88	6.77
Interest on Vehicle Loan	0.15	1.79
Interest on Covid Loan	14.81	11.17
Interest on Unsecured Loans	61.68	56.20
	<u>124.23</u>	<u>119.28</u>

Note : 25 : OTHER EXPENSES

31.03.2022 31.03.2021

	31.03.2022	31.03.2021
Bank Charges	39.86	6.14
Plant Maintenance	415.48	299.47
Stores & Spares Consumed	321.00	221.19
Generator Maintenance	11.57	6.80
Power Charges	150.71	21.55
Vehicle Maintenance	32.57	29.24
Repairs & Maintenance	19.72	28.30
Muta Wages & Maintenance	140.32	41.78
Printing & Stationery	7.75	1.64
Postage & Telephone Charges	2.89	2.49
Travelling & Conveyance	11.20	0.63
Office Maintenance	7.15	7.26
Computer Maintenance	1.01	0.92
Insurance	26.18	22.30
Interest on GST	-	1.15
VAT	-	0.24
Professional Charges	8.46	-
Miscellaneous Expenses	2.14	0.70
Service Charges	2.44	1.34
Taxes & License Fee	17.95	9.34
Commission on Sales	12.73	9.07
Vehicle Maintenance	12.91	2.87
Sale Promotion Expenses	3.33	0.53
Outward Freight Charges	211.47	111.32
Auditors Remuneration	2.00	2.00
Advertisement Expenses	5.65	1.89
Security Maintenance	5.79	5.90
Bad Debts written off	0.10	7.45
Donations	0.05	2.00
Road Repair Charges	-	18.92
Legal Expenses	-	0.07
Interest on Income Tax	-	-
Marketing Cess	0.38	-
Lease Rent (Rice Mill)	36.45	-
	18.00	-
	<u>1,527.27</u>	<u>864.50</u>

Notes: 26: Notes forming part of Financial Statements:

1. Details of Secured Loans and Security

a) Secured Loans

Cash Credit from HDFC Bank to the extent of Rs.1630.00 Lacs is secured by hypothecation of Stock of Raw materials, Stores & Spares, Finished Goods, Book Debts both present and future.

Cash Credit from Karur Vysya Bank to the extent of Rs.100.00 Lakhs is secured by hypothecation of Stock of Raw materials, Stores & Spares, Finished Goods, Book Debts both present future.

Covid loan from HDFC Bank to the extent of Rs.1,92,60,400 is secured by hypothecation of Stock of Raw materials, Stores & Spares, Finished Goods, Book Debts both present and future and fixed assets of the company.

Term Loan from HDFC Bank to the extent of Rs.5,02,02,000 is secured by Plant & Machinery acquired out of loan proceeds.

Car Loans from HDFC Bank Limited are secured by hypothecation of Cars purchased out of loan proceeds.

2. The presentation of the Balance Sheet, Profit and Loss Statement and Notes to the Accounts is in terms of the Schedule III to the Companies Act, 2013. The assets and liabilities have been classified as current and non-current based on a twelve month operating cycle. Previous year's figures have been regrouped / reclassified wherever necessary to conform to the current year's presentation.

3. Borrowing Costs as per Accounting Standard – 16:

Borrowing costs include interest on CC Limit and term loans with banks/ financial institutions and other borrowing costs are charged to profit & loss account on accrual basis.

4. Segment Reporting:

The board of directors of the company is of the opinion that there are three separate reportable segments as per Accounting Standard – 17 and the details are given hereunder

Particulars	31.03.2022 (Rs.in Lakhs)	31.03.2021 (Rs.in Lakhs)
a) Segment Revenue (Net Sales/Income from each Segment)		
i) Solvent Extraction Division	8751.57	6554.76
ii) Power Division	1779.71	1549.69
iii) Steel Division	2040.86	873.65
iv) Rice Division	4413.54	140.18
<b>TOTAL:</b>	16985.68	9118.28
Less: Inter Segment Revenue	1905.12	314.79
Net Sales/Income from Operations	15080.56	8803.49
b) Segment Results (Profit+)/Loss(-) before tax from each segment)		
i) Solvent Extraction Division	161.32	150.48
ii) Power Division	190.97	81.59
iii) Steel Division	(105.63)	(42.30)
iv) Rice Division	(14.09)	(49.35)
<b>TOTAL:</b>	232.57	140.42
Less: Other Unallocable Expenditure net off/Unallocable Income	--	--
Profit Before Tax	232.57	140.42
c) Capital Employed		
Segment Assets:		
i) Solvent Extraction Division	2844.72	3236.48
ii) Power Division	2015.63	2018.40
iii) Steel Division	473.96	470.03
iv) Rice Division	2221.18	828.37
<b>TOTAL:</b>	7555.49	6553.28
Less: Inter Segment Assets	1399.72	1031.47
Net Segmental Assets	6155.77	5521.81
Segment Liabilities:		
i) Solvent Extraction Division	1681.19	2206.78
ii) Power Division	383.62	553.19
iii) Steel Division	652.62	543.05
iv) Rice Division	2284.62	877.73
<b>TOTAL:</b>	5002.05	4180.75
Less: Inter Segment Liabilities	1399.72	1031.47
Net Segmental Liabilities	3602.33	3149.28
Capital Employed (Segmental Assets - Segmental Liabilities)		
i) Solvent Extraction Division	1163.53	1029.70
ii) Power Division	1632.01	1465.21
iii) Steel Division	(178.66)	(73.02)
iv) Rice Division	(63.44)	(49.36)
<b>TOTAL:</b>	2553.44	2372.53

## 5. Ratios

The following are analytical ratios for the year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021

Particulars	Numerator	Denominator	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021	Variance
Current Ratio	Current Assets	Current Liabilities	2.06	2.46	(16.19)%
Debt-Equity Ratio	Long Term Debt	Shareholder's Equity	0.59	0.66	10.91%
Debt Service Coverage Ratio	Earnings available for debt service (PAT+Dep+Interest)	Debt service (Interest + Loan repayment in year)	2.03	1.72	18.27%

Return on Equity	Net Profit after Taxes	Average Shareholders Equity	0.07	0.05	49.01%
Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	11.52	8.78	31.18%
Trade Receivables Turnover Ratio	Net Credit Sales	Average Trade Receivables	6.17	4.23	46.02%
Trade Payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	358.97	309.95	15.82%
Net Capital Turnover Ratio	Revenue	Working Capital	6.49	3.50	85.40%
Net Profit Ratio	Net Profit	Revenue	0.01	0.01	(10.87%)
Return on Capital Employed (ROCE)	Earnings before Interest and Taxes	Capital Employed (Total Assets-Current Liabilities)	0.09	0.07	34.07%
Return on Investment	Income generated From Investments	Time weighted average investments	-	-	-

### Reasons for variance:

**Return on Equity** has been improved by 49.01% due to increase in profit which was generated due to rice mill division operations were carried out throughout the year whereas the same was operated only for three months during the last financial year.

**Inventory Turnover Ratio** has been improved by 31.18% due to increase in turnover which was generated due to rice mill division operations were carried out throughout the year whereas the same was operated only for three months during the last financial year.

**Trade Receivables Turnover Ratio** has been improved by 46.02% due to increase in turnover which was generated due to rice mill division operations were carried out throughout the year whereas the same was operated only for three months during the last financial year.

Net Capital Turnover Ratio has been improved by 85.40% due to increase in turnover which was generated due to rice mill division operations were carried out throughout the year whereas the same was operated only for three months during the last financial year.

Return on Capital Employed has been improved by 34.07% due to increase in operating profit.

#### 6. Related Parties Disclosures:

Related party disclosures, as stipulated by Accounting Standard – 18 – ‘Related Party Disclosures’, are given below:

##### a) Related Parties and their relationships

- (1) Associates:  
Sreehitha Refineries Limited  
Srinivasa Raw & Par Boiled Rice Mill
- (2) Key Managerial Personnel, Directors and their Relatives  
V.Venkatramaiah  
V.Surajkumar  
V.Balaji  
G.Bapuji  
G.Ramesh Babu  
V.Sangeetha  
K.Koteswara Rao  
K.Nagendra Babu  
D.Mallikarjuna Rao (CFO)  
Sridevi Chintada (CS)

##### b) Related Party Transactions for the Year Ended 31<sup>st</sup> March, 2022

The nature and volume of transactions of the Company during the year, with the above related parties are as follows.

Nature of Transactions	Transactions During the Year (Rs. in Lakhs)	Closing Balance (Rs. in Lakhs)
Remuneration to Key Managerial Personnel, Directors	44.77	0.53
Purchase of Rice Bran from Srinivasa Raw & Par Boiled Rice Mill	41.26	Nil
Sale of R.B oil to Sreehitha Refineries Limited	1,677.19	Nil
Interest on Unsecured loans from KMP, Directors and their relatives	61.68	55.51
Unsecured loans from KMP, Directors and their relatives	(0.51)	770.49

7. There are no amounts due to Small Scale Industries in terms of “The Micro, Small and Medium Enterprises Development Act, 2006”. Based on information available with the Company, as at 31<sup>st</sup> March 2022, there are no suppliers who are registered as micro and small enterprises under the provisions of the Micro, Small and Medium Enterprises Development Act, 2006.

8. Balance of Sundry Creditors and other loans and advances have been taken at values as stated in the books of account and have not been confirmed by parties.

9. Current Assets and Loans and Advances are the values stated as if realised in the ordinary course of business.

#### 10. Managerial Remuneration:

Particulars	2021-22 (Rs. in Lakhs)	2020-21 (Rs. in Lakhs)
V.Venkatramaiah	6.75	9.00
V.Balaji	15.75	9.00
V.Suraj Kumar	15.75	9.00

11. Auditors Remuneration includes the following:

Statutory Audit Fee	Rs.1,00,000/-
Tax Audit Fee	Rs. 50,000/-
Other Services	Rs. 50,000/-

12. Contingent Liabilities not provided for:

Particulars	As at 31-Mar-2022 (Rs. in Lakhs)	As at 31-Mar-2021 (Rs. in Lakhs)
Sales Tax liability against which company has preferred appeals	15.75	15.75

13. The company does not have operating leased assets and hence no information has been provided as required by the Accounting Standard - 19 ‘Accounting for Leases’.

#### 14. Earnings Per Share as per Accounting Standard-20

Particulars	2021-22 (Rs. in Lakhs)	2020-21 (Rs. in Lakhs)
Profit attributable to Equity Shareholders (A)	163.55	103.68
Basic/weighted average number of equity shares outstanding during the year (Nos) (B)	1,05,77,095	1,05,77,095
Nominal Value of Equity Share(Rs)	10/-	10/-
Earnings Per Share (Basic & Diluted) (Rs.10/- paid up)	1.55	0.98

### 15. Accounting for taxes on income as per Accounting Standard-22

The deferred tax liability for the year 2021-22 due to timing differences between financial statements and taxation statements as per the applicable rate of taxation, estimated as Rs.17.34 Lakhs and the same has been debited to Profit & Loss Account as per the procedure prescribed in Accounting Standard – 22 "Accounting for Taxes on Income" issued by the ICAI.

The movement of provision for Deferred Taxes for the year ended 31-03-2022 is as given below:

(Rs. in Lakhs)

Particulars	(Liability)/Asset as at 1-4-2021	(Charges)/Credit for the year	(Liability)/Asset as at 31-3-2022
Timing differences on Account of			
Depreciation on Assets	(42.78)	(17.34)	(60.12)
Total	(42.78)	(17.34)	(60.12)

### 16. Accounting for Effects of Changes in Foreign Exchange Rates:

There were no foreign currency transactions during the year under review.

### 17. Details of Capacities and Production :

- A) Licensed Capacity : Not Applicable.
- B) Installed Capacity : 200 M.T's per day.(SOLVENT EXTRACION)  
4.5 M.W (POWER DIVISION)  
5000 MT per year (STEEL DIVISION)  
12.00 M.T's per hour (RICE DIVISION)

(As certified by the management but not verified by Auditors being a technical matter.)

- C) Actual : 32857.708 M.T's (SOLVENT EXTRACTION)  
2,82,53000 UNITS (POWER)  
4560.800 M.T's (STEEL)  
19054.204 MT (Own Paddy Milling-RICE DIVISION)  
52771.840 MT (Hire Paddy Milling-RICE DIVISION)

Stocks: Details of Turnover, Raw Material Consumption, Opening and Closing

Particulars	2021-22		2020-21	
	Qty in MTs	Value (Rs.in lakhs)	Qty in MTs	Value (Rs.in lakhs)
<b>TURNOVER</b>				
Rice Bran Oil	5141.91	3299.54	5071.01	3059.26
De-Oiled Rice Bran (Including gunnies Quantity & Value)	28112.81	5408.59	24909.76	3494.41
Rice Bran	133.89	42.47	-	-
Power (Units)	18474500	1301.68	19597000	1314.91
Captive Consumption(Units)	6722600	473.54	3420700	229.87
Utilized in Auxiliaries	3055900	0.00	2832200	0.00
Iron Ingots	4624.84	2040.86	2506.12	873.65
Raw Brokens	5342.24	932.96	361.70	55.25
Cheeru Brokens	1190.86	172.22	-	-
Rice	7553.12	1876.77	-	-
Internal Transfer (Captive consumption)				
Rice Bran	5138.15	1303.49	447.66	75.93
Husk	5165.67	128.10	87.76	8.99
Others – Gummies, Ash, Scrap		5.46		6.01
<b>Raw Material Consumed</b>				
Rice Bran	27719.56	6691.95	30421.63	5749.63
Paddy	19054.20	4110.82	590.00	112.10
Husk	42099.87	676.27	39913.19	683.66
Coal	6094.74	164.38	10041.88	213.01
Corn Hay	11194.44	214.33	6868.08	130.48
Pam Hay	100.00	0.80	90.55	0.68
Coconut Hay	1565.00	17.84	840.86	9.44
Black Gram Hay	40.660	0.40	63.52	0.64
Chilli Hay	176.00	2.29	15.24	0.19
Jamoil Wast	220.00	3.33	168.08	1.85
Pulses Hay	9.29	0.18	-	-
Scrap & Sponge & Pig Iron	5416.43	1539.67	2712.04	572.58
<b>Purchase of Raw Material</b>				
	Qty in MTs	(Rs.in.lakhs)	Qty in MTs	(Rs.in lakhs)
Rice Bran	27756.04	6715.06	29885.41	5667.66
Paddy	19054.20	4128.12	590.00	112.10
Husk	41660.25	730.87	37429.42	585.81
Coal	5069.35	143.83	10822.59	247.40
Corn Hay	11194.44	214.32	6868.08	130.47
Chilli Hay	180.67	2.36	15.24	0.19
Coconut Hay	1915.87	21.41	840.86	9.44
Pulses Hay	14.23	0.30	-	-
Black Gram Hay	48.51	0.48	63.52	0.64
Palm Hay	114.58	0.92	90.55	0.68



Particulars	2021-22		2020-21	
	Qty in MTs	Value (Rs.in lakhs)	Qty in MTs	Value (Rs.in lakhs)
Jam Oil Waste	483.64	7.34	168.08	1.85
Scrap & Sponge Iron	5356.01	1563.33	2661.58	590.36
<b>Purchase of Finished Goods</b>				
Rice	339.70	115.45	-	-
<b>Opening Stock of Raw Material</b>				
Rice Bran	1452.88	165.88	1989.11	247.84
Husk	2908.22	39.41	5391.99	119.54
Coal	1043.19	21.68	262.48	5.02
Scrap & Sponge Iron	413.81	101.63	464.27	83.85
Gunnies		9.76		-
<b>Closing Stock of Raw Material</b>				
Rice Bran	1355.47	188.98	1452.88	165.88
Husk	2468.38	94.00	2908.22	39.41
Coal	21.61	1.14	1043.19	21.68
Coconut Hay	350.87	3.58	-	-
Pulses Hay	4.94	0.12	-	-
Chillies Hay	4.67	0.06	-	-
Jam Oil Waste	263.64	4.00	-	-
Palm Hay	14.58	0.12	-	-
Black Gram	7.85	0.07	-	-
Scrap & Sponge Iron	353.39	125.29	413.81	101.63
Gunnies		27.08		9.76

Particulars	2021-22		2020-21	
	Qty in MTs	Value (Rs.in lakhs)	Qty in MTs	Value (Rs.in lakhs)
<b>Opening Stock of Finished Goods</b>				
Rice Bran Oil	218.46	152.92	11.99	5.87
De-Oiled Rice Bran	1309.86	130.99	504.89	58.06
Iron Ingots	110.89	42.69	359.50	98.14
Raw Brokens	30.05	4.28	-	-
Cheeru Brokens	5.90	0.59	-	-
Rice Bran	47.20	8.63	-	-
<b>Closing Stock of Finished Goods</b>				
Rice Bran Oil	577.57	570.65	218.46	152.92
Deoiled Rice Bran	589.62	77.24	1309.89	130.99
Iron Ingots	46.85	26.70	110.89	42.69
Raw Brokens	177.18	26.03	30.05	4.28
Cheeru Brokens	193.60	25.45	5.90	0.59
Rice Bran	-	-	47.20	8.63
Rice	76.88	25.65	-	-
Inflow of Foreign Exchange		Nil		Nil
Outflow of Foreign Exchange		Nil		Nil

Signatures to Schedules I To 26

As per my report of even date

FOR AND ON BEHALF OF THE BOARD

Sd/-  
Polavarapu Janardhan  
Chartered Accountant  
M.No:026498

Sd/-  
(V.VENKATRAMAIAH)  
Director  
DIN:00227148

Place: Vijaywada  
Date: 30th May 2022  
Sd/-  
(V.BALAJI)  
Wholetime Director  
DIN:00227309

Sd/-  
(V.SURAJ KUMAR)(SRIDEVI CHINTADA)  
Managing Director  
DIN:00127360 ACS 34261

Sd/-  
(D. MALLIKARJUNARAO)  
Company Secretary  
C.F.O

# BALAJI AGRO OILS LIMITED

CIN : L15143AP1994PLC017454

Registered Office : 74-2-19, Old Check Post Centre, Patamata  
Vijayawada – 520007  
Andhra Pradesh, India  
Email : info@baol.in  
Form No.MGT-10

## ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING

(to be surrendered at the venue of the meeting)

I certify that I am a registered shareholder/proxy/representative for the registered shareholder(s) of Balaji Agro Oils Limited.

I hereby record my presence at the 28<sup>th</sup> Annual General Meeting of the shareholders of Balaji Agro Oils Limited on Friday, the 30<sup>th</sup> Day of September, 2022 at 11:00 A.M at the Registered office of the Company situated at 74-2-19, Old Check Post Centre, Patamata, Vijayawada - 520007, Andhra Pradesh.

1.	Name & registered address of the sole/ first named shareholder	
2.	Name (s) of the Joint Shareholder(s), if any	
3.	Registered Folio No./DP ID/ Client ID	
4.	Number of shares held	

Signature of Shareholder/Proxy/Representative

Subject-E-voting

In terms of the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system to members holding shares as on 23<sup>rd</sup> September, 2022 (end of day) being the cut-off date i.e., record date for the purpose of Rule 20(3)(vii) of the Rules fixed for determining voting rights of members, entitled to participate in the e-voting process, through the e-voting platform provided by Central Depository Services Limited (CDSL).

The e-voting particulars are set out below:

EVSN (e-voting Sequence Number)	User id	Password
220822014	Please refer notes about e-voting instructions in the Notice.	

The e-voting period commences from 10:00 a.m. on 25<sup>th</sup> September, 2022 and ends on 29<sup>th</sup> September, 2022 by 5:00 p.m. The members of the Company, holding shares either in physical or demat form, as on the cut-off date of 23<sup>rd</sup> September, 2022, may cast their vote electronically.

For instructions on e-voting, please read attached Notice of Annual General Meeting. This communication forms an integral part of the Notice for convening the Annual General Meeting of the Company to be held on 30<sup>th</sup> September, 2022.

BALAJI AGRO OILS LIMITED  
CIN : L15143AP1994PLC017454

Registered Office : 74-2-19, Old Check Post Centre, Patamata Vijayawada – 520007  
Andhra Pradesh, India  
Email : info@baol.in

FormNo.11  
PROXY FORM

[Pursuant to section 105(5) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration Rules, 2014)]

CIN	L15143AP1994PLC017454
Name of the Company	Balaji Agro Oils Limited
Registered Office	Registered Office : 74-2-19, Old Check Post Centre, Patamata Vijayawada – 520007
Corporate Office	Registered Office : 74-2-19, Old Check Post Centre, Patamata Vijayawada – 520007
Name of the member(s)	
Registered Address	
Email id	
Folio No.	

I/We, being the member(s) of shares of the above named Company, hereby appoint

1.	Name, Address, Email id Or failing him	
2.	Name, Address, Email id Or failing him	
3.	Name, Address, Email id Or failing him	

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28<sup>th</sup> Annual General Meeting of the Company, to be held on Thursday, the 30<sup>th</sup> day of September, 2022 at 11:00 A.M. at the Registered Office of the Company at 74-2-19, Old Check Post Centre, Patamata Vijayawada – 520007, Andhra Pradesh and at any adjournment thereof in respect of such resolution as are indicated below:

Resolution	For	Against
<b>Ordinary Business:</b>		
1. To receive, consider and adopt the Audited Statements of Profit & Loss for the year ended 31 <sup>st</sup> March 2022 and the Balance Sheet as on that date together with the reports of the Board of Directors and Auditors thereon.		
2. To appoint a Director in place of Sri Vallabhaneni Venkataramaiah (DIN No. 00227148) who retires by rotation and being eligible offers himself for re-appointment.		
3. To appoint M/s. Suresh and Babu, Chartered Accountants as Statutory Auditors for a period of 5 (five) years		
<b>Special Business:</b>		
4. To ratify the remuneration of Cost Auditors.		
5. To approve increase in the remuneration payable to Sri. Vallabhaneni Balaji, Joint Managing Director (DIN - 00227309).		
6. To approve increase in the remuneration payable to Sri. Vallabhaneni Suraj Kumar, Joint Managing Director (DIN - 00227360)		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2022.

Signature of Shareholder: \_\_\_\_\_

Signature of Proxy holder(s): \_\_\_\_\_

Affix  
Revenue  
stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

**Printed Matter**

**Register Post**

To,

if undelivered please return to : \_\_\_\_\_



**BALAJI AGRO OILS LIMITED**

Reg. Office : 74-2-19, Old Check Post Center,  
Patamata, VIJAYAWADA - 520 007