

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 26th Annual General Meeting of the members of M/s. Balaji Agro Oils Limited (L15143AP1994PLC017454) will be held on Wednesday, the 16th day of December, 2020 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 31st March 2020 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 Balaji (DIN No.00227309) who retires by rotation and being eligible offers himself reappointment
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 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the Members of the Company hereby ratifies the appointment of Sri P. Janardhan, Chartered Accountant, Membership No. 26498, as Statutory Auditor of the Company to hold office from the conclusion of this meeting to the rest of the tenure (without further ratification) and upto the Annual General Meeting to be held for the financial year 2021-22 on such remuneration as may be determined by the Board of Directors from time to time.”

Special Business:

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

“RESOLVED THAT pursuant to Section 180(1)(c) of the Companies Act, 2013 and rules framed there under (including any statutory modification(s) or re-enactment thereof, for the time being in force) and any other applicable laws and provisions of Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company or Committee thereof (the “Board”) to borrow such sum of moneys, from time to time, at its discretion, with or without security, and upon such terms and conditions as the Board may think fit, from any one or more persons, firms, bodies corporate, or financial institutions whether by way of cash credit, advance or deposits, loans or bill discounting or otherwise and whether unsecured or secured by mortgage,

charge, hypothecation or lien or pledge of the Company’s assets and properties whether movable or stock-in trade (including raw materials, stores, spare parts and components in stock or in transit) and work-in-progress or all or any of the undertakings of the Company notwithstanding that the monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, but, so, however, that the total amount up to which the monies may be borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of Rs. 100.00 Crores (Rupees Hundred Crores only) for the purpose of business of the Company;

RESOLVED FURTHER THAT the Board of Directors and/ or Committee of Directors be and are hereby severally authorised to:

1. Fix the terms and conditions of all such moneys to be borrowed from time to time as to the nature of instrument(s), tenure, interest, repayment, pre-payment, security or otherwise, howsoever as they may think fit;
 2. Finalise and execute all such documents, writings as may be necessary, proper, desirable or expedient as they may deem fit and to give such directions and/or instructions as they may from time to time decide and to accept and give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions as may be necessary in this regard; and
 3. Generally to do all such acts, deeds, matters and things, as may be deemed necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto
5. To consider and if thought fit to pass with or without modification(s) the following resolution as an Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee thereof) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the substantial assets of the Company in certain events in favour of banks/financial institutions, other investing agencies and trustees for the holders of debentures/bonds/other instruments to secure the loans and/or the issue of debentures whether partly/fully convertible or non-convertible (hereinafter collectively referred to as “Loans”) provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable

by the Company in respect of the said Loans for which the charge is to be created, shall not, at any time exceed Rs.100.00 Crores (Rupees Hundred Crores Only).”

RESOLVED FURTHER THAT the Board of Directors and/ or Committee of Directors be and is hereby authorised to:

1. Finalise and execute such debenture trust deeds or mortgage, charge, hypothecation, lien, promissory notes, deposit receipts and all such deeds, documents, instruments or writings as may be necessary, proper, desirable or expedient as they may deem fit and to give such directions and / or instructions as they may from time to time decide and to accept and give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions as may be necessary in this regard; and

2. Generally to do all such acts, deeds, matters and things, as may be deemed necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this Resolution.”

By Order of the Board
For **BALAJIAGRO OILS LIMITED**

V.SURAJ KUMAR
JOINT MANAGING DIRECTOR
DIN : 00227360

Place : Vijayawada

Date : 14.11.2020

Notes

1. 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. 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.
2. 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.
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. 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 **10th December, 2020 to 16th December, 2020** (both days inclusive).
5. 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.
6. 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.
7. 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.
8. 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.
9. 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.
10. As the Company's Equity shares are compulsorily traded in demat mode, shareholders holding shares in physical form are requested to dematerialize the same.

11. 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.

12. E-VOTING

Pursuant to Section 108 of the Companies Act, 2013 read with relevant Rules of the Act and Regulations 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 **12th December, 2020** and will end at 5:00 p.m. on **15th December, 2020**. 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 desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

The e-voting facility is available at the link:

EVSN (e-voting Sequence Number)	Commencement of e-voting	End of e-voting
201113002	12.12.2020	15.12.2020

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 shall be placed on the website of CDSL and communicated to Stock Exchange where the shares are listed.

13. The instructions for members for voting electronically are as under:

The voting period begins on **Saturday, the 12th December, 2020** at 10:00 a.m and ends on **Tuesday the 15th December, 2020** 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 **09.12.2020**, 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.
- (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 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	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> ● 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. ● 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.
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 30th June, 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xviii) **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 and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 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 favour 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, under help section or write an email to helpdesk.evoting@cdslindia.com.

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

BRIEF PROFILES OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT

ITEM NO. 2

To appoint a Director in place of Sri V. Balaji (DIN No. 00227309) who retires by rotation and being eligible and offers himself reappointment

Sri. V.BALAJI 54 years, and having 30 years experience in Rice milling industry and 24 years experience in Solvent Extraction Industry

The terms as set out in the resolution and explanatory statement may be treated as an abstract of the terms and conditions governing the appointment and remuneration and memorandum of interest pursuant to Section 190 of the Companies Act, 2013.

ITEM NO. 4

In view of the potential growth in business of the Company and anticipating the need of additional funds that may be required in the near future, it was considered essential to borrow monies from diverse sources for various business activities/initiatives undertaken by the Company, consequent to which the amount to be borrowed in excess of the Paid Up Capital & Free Reserves of the Company.

The Board accordingly recommends the limit to the extent of Rs. 100.00 Crores (Rupees Hundred e Crores only) under Section 180(1)(c) of the Companies Act, 2013 as set out in the Resolution for approval of the Members.

The Board recommends the Special Resolution set forth in Item No. 4 of the Notice for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company including their relatives are interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.

ITEM NO. 5

As per the provisions of Section 180(1)(a) of the Companies Act, 2013, a company shall not sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings, unless approval of the Shareholders is obtained by way of a Special Resolution.

In connection with the loan/credit facilities to be availed by the Company, as and when required, through various sources for business purposes, the Company might be required to create charges over its assets, properties and licenses by way of hypothecation, mortgage, lien, pledge etc. in favour of its lenders (up to the limits approved under Section 180(1)(c) of the Companies Act, 2013), for the purposes of securing the loan/credit facilities extended by them to the Company.

Further, upon occurrence of default under the relevant Loan/facility agreements and other documents as may be executed by the Company with the lenders, the lenders would have certain rights in respect of the Company's assets, properties and licenses including the rights of sale/disposal thereof, creation of charge/s as aforesaid and enforcement of assets by the Company's lenders upon occurrence of default would amount to a sale/disposal of the whole or substantially the whole of the undertaking of the Company, pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013.

Accordingly, the Board recommends the Special Resolution set forth in Item No. 5 of the Notice for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company including their relatives are interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.

DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting the 26th Annual Report of the Company together with the Audited Statements of Accounts for the Financial Year ended March 31, 2020.

Financial Results:

PARTICULARS	Current Year	Previous Year
	2019-20	2018-19
	(Rs. Lakhs)	(Rs. Lakhs)
Total Income	8756.81	8229.55
Profit/(loss) before depreciation	114.63	110.63
Depreciation	45.91	45.70
Profit/(loss) before Tax	68.72	64.93
Provision for Taxation	17.18	10.48
Deferred Tax liability/(Asset)	4.43	35.62
profit (Loss) for the year	47.11	18.83
Balance B/F	1121.26	959.51
Add:Shares forfeited adjusted to capital reserve	0	31.17
Add:Adjustment towards depreciation	0	111.75
Profit/(Loss) Balance C/F	1168.37	1121.26

Operations:

The Board of Directors informing you that your Company has achieved the Listing Position again, after duly complied with the SEBI (LODR) REGULATIONS, 2015 and other provisions of the Companies Act, 2013, with Metropolitan Stock Exchange of India Limited (MSEI), Mumbai vide their letter dated 02.01.2020.

Your Company is under planning to construct one Rice Mill, Feed Mill to commence business activity in pursuance of the Memorandum of Association and expecting good results post commencement.

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

Solvent Extraction Division:

This division earned an after Tax Profit of Rs112.65 lakhs as against profit of RS.89.41 lakhs during the previous year. It processed 27374.74 M.Ts of Rice Bran as against 27502.836 M.Ts of Rice Bran during the previous year.

Power Division:

This division earned an after tax Profit of Rs.36.43lakhs as against profit of Rs.(44.47) lakhs during the previous year. It has generated 241.45 lakhs of units as against 245.39 lakhs of units during the previous year.

Steel Division:

This division earned an after tax Loss of Rs.(97.56).lakhs as against profit of Rs.9.52 lakhs during the previous year. It produced 3097.170 Mt of Iron Ingots as against 3513M.Ts of Iron Ingots during the previous year.

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 this year.

Share Capital:

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

However, during the year your company forfeited 623405 Equity Shares of Rs.10/- each after fulfilling / complying with the requisite provisions and rules including the SEBI (LODR), 2015.

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 31st March, 2020 annexed to the Statement of Accounts.

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 31st March, 2020 are prepared in due compliance of the Schedule III of the Companies Act, 2013.

Cash Flow Statement:

A Cash Flow Statement for the year 2019-20 is annexed to the Statement of Accounts.

PARTICULARS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Appointments:

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and the Articles of Association of the Company, Sri V. Balaji (DIN No. 00227309) who retires by rotation and being eligible and offers himself for reappointment

The Board of Directors duly constituted and Sri Venkataramaiah Vallabhaneni, Chairman and Sri Suraj Kumar Vallabhaneni, Sri Balaji Vallabhaneni as Joint Managing Directors and Smt Vallabhaneni Sangeetha as Woman Director, Sri Bhanu Prasad Medabalimi, Sri Kandimalla Ravi Varma, Sri Bapuji Gottipati and Sri Gottipati Ramesh Babu as Directors of the Company continuing on the Board.

All 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 director during the year.

The 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:

During the year, none of the directors have ceased to be directors.

Key Managerial Personnel

During the year, Ms. Sridevi Chintada was appointed as Company Secretary of the Company with effect from 20.12.2019 in compliance with the provisions of Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended thereto. She has been authorised to act as Compliance Officer of the Company as well.

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 individual Directors.

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

None of the directors of the company is disqualified under the provisions of the Act or under the SEBI (LODR) 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 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 have been disclosed in the corporate governance report, which forms part of the directors' report.

Number of board meetings during the year

During the year, 8 (Eight) Meetings of the Board, 4 (Four) Meetings of Audit Committee, 2 (Two) Meetings of Investor Services Committee, 2 (Two) Meetings of Nomination and Remuneration Committee and 2 (Two) Meetings of CSR Committee were convened and held, the details of which form part of the report on corporate governance.

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 with Related Parties for the year under review were on arm's length basis and in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval, where ever 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 -V.

Material Orders, if any, Passed by the Regulators, Courts Etc.:

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

Auditors:

The Statutory Auditor of the Company Sri P. Janardhan, Chartered Accountant, Vijayawada, retires at the conclusion of this Annual General Meeting of the company, who has been appointed as auditor of the company for a term of 5 years and who have confirmed their eligibility to be appointed as Auditor. In terms of provisions of section 141 of the Act and as amended, and rule 4 of the rules, be and are hereby confirmed and ratified to hold office of Statutory Auditor of the company from the conclusion of the ensuing Annual General Meeting to the rest of the tenure (without further ratification) and upto the Annual General Meeting to be held for the financial year 2021-22 on such remuneration as may be agreed upon by the Audit committee/ Board of Directors in consultation with the Auditor

There are no qualifications or observations or remarks made by the Auditors in their Report.

Cost Audit Report:

The Cost Audit is not applicable to the company for the year ended 31st March 2020

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 2019-20. The Report of the Secretarial Auditor for Financial Year 2019-20 is annexed herewith as "Annexure-I".

The Board of Directors herewith replies to the observations of Secretarial Auditors that Company is very much keen on taking steps to comply with the provisions as qualified by the Secretarial Auditor.

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.

Corporate Social Responsibility:

\ The Company's Corporate Social Responsibility (CSR) aims to extend beyond charity and enhance social impact. CSR Committee at its meeting held on **31st 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.

\ The Composition of the CSR Committee: The CSR Committee has been constituted by the Board of Directors and the following are the members of the Committee as of Date:

- | | |
|-----------------------------|----------|
| 1. Medabalimi Bhanu Prasad | Chairman |
| 2. Gottipati Bapuji | Member |
| 3. Gottipati Ramesh Babu | Member |
| 4. Vallabhaneni Suraj Kumar | Member |

The Committee duly met 2 (two) times during the financial year and discussed about the CSR Policy, which was already framed by the committee.

\ Due to 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 Auditors' Certificate regarding compliance of conditions of corporate governance and forms integral part of this Report.

Extract of Annual Return (MGT-9):

Pursuant to section 92(3) of the Companies Act, 2013 read with rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in form MGT-9 is provided as Annexure- II.

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 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 31st March, 2020.

RISK MANAGEMENT

The Board of the Company 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, 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 : 111 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	9.02	8756.80	0.103
V.BALAJI	10.33	8756.80	0.118
V.SURAJ KUMAR	13.45	8756.80	0.153

- 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 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 Bapuji | Chairman |
| 2. | Medabalimi Bhanu Prasad | Member |
| 3. | Kandimalla Ravi Varma | Member |
| 4. | Gottipati Ramesh Babu | Member |
| 5. | Representative of Auditors | Permanent Invitee |

The above composition of the Audit Committee consists of three independent Directors.

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 Director 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 impact on the operations of the company.

Material Changes and Commitments:

No material changes 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 31.03.2020

Prevention of Sexual Harassment of Woman at Work Place:

In order to prevent sexual harassment of woman at work place as per provisions of the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the

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. Company always endeavours 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 2019-20, 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 continued its efforts towards Clean and Green this year also. It has been monitoring environment and pollution parameters at its factory at Davuluru. Planting of trees and taking proper care in raring them is being done on regular basis.

Energy conservation:

The information in accordance with the provision 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 is being carried in at all operating levels. The required data with regard to Conservation of Energy as applicable to our industry is furnished below:

<i>Particulars</i>	<i>For the year 2019-2020</i>	<i>For the year 2018-2019</i>
I. Electricity		
i) Purchased (APTRANSCO) Units	--	--
Total Amount (Rs.)	--	--
Rate per Unit (Rs)	--	--
ii) Capitive Generation Units	3821600	43,78,300
Total Amount (Rs.)	2,44,27,840	2,78,34,170
Rate per Unit (Rs)	6.39	6.36
iii) Own Generation Units	--	--
Total Amount (Rs.)	--	---
Rate per Unit (Rs)	--	---
II. Steam		
Total Amount (Rs.)	-	-
Consumption per M.T. of Production		
- Electricity (Units)	125.41	141.16
- Steam (Rs.)	-	-
III. Internal Generation (Units)	--	-

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, the best of their knowledge and ability confirm that:

(a) in the preparation of the annual accounts for the year ended 31st March 2020, the applicable accounting standards had 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 31st March 2020 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 had 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.

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 Branch, State Bank of India, 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 given to the company and confidence which they have reposed in its management.

By Order of the Board
For **BALAJI AGRO OILS LIMITED**

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

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

Place: Vijayawada
Date: 14.11.2020
Form

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020

[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,
M/s. 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 M/s. **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 M/s. **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 **31st March, 2020** 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 M/s. **Balaji Agro Oils Limited** ("the Company") a **Listed Public Company** for the financial year ended on **31st March, 2020** 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 Chennai and Ahmedabad Stock Exchanges read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, both the Stock Exchanges were not in operation and closed as on date. **Also, the Agreement entered 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 Company has constituted the CSR committee and its constitution was as per the regulations. However, the company is not required to spend any amount as the average profits for the last 3 years was within the specified limits i.e., Rs.5.00 crores.
2. The appointment of woman director was not done as stipulated under the provisions of Companies Act, 2013. However, During the Financial year 2016-17, the Company appointed woman director with effect from 31st October, 2016.
3. The Company has not –
 - a) Formulated any policy on related party transactions.
 - a) Appointed Key Managerial Personnel in terms of Section 203 i.e., Chief Financial Officer in view of the provisions of Companies Act, 2013. However, During the Financial year, the Company appointed Chief Financial Officer with effect from 21st October, 2019
4. The Regional Stock Exchanges in which the Company's shares were listed has become inoperative and **during the financial year, the company was duly Listed its shares with Metropolitan Stock Exchange of India Limited (MSEI).**

5. 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 1st April, 2016 with transition date of 1st 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 1st April, 2017. However, the Company has not restated the accounts in IND AS.

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. 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.

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

UDIN : F007120B000535802

Place: Hyderabad
 Dated: 31.07.2020

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.

Annexure –A

To,
The Members,
M/s. 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.

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

UDIN : F007120B000535802

Place: Hyderabad
Dated: 31.07.2020

Annexure – II

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1. CIN	L15143AP1994PLC017454
2. Registration Date	02-05-1994
3. Name of the Company	BALAJI AGRO OILS LIMITED
4. Category/Sub-category of the Company	Company Limited by Shares/Indian Non-government Company
5. Address of the Registered office & contact details	74-2-19, Old Check Post Centre Krishna Nagar Vijayawada – 520007 Phone : 0866-2822672 E-mail : balajiagro@rediffmail.com
6. Whether listed company	Listed
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. XL Softech Systems Limited 3, Sagar Society, Road No. 2 Banjara Hills, Hyderabad – 500034. Phone No.040-23545913 E-mail :

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacturing of Rice Bran Oil	23040020	77.27%
2	Power Generation	98010013	13.03%
3	Manufacturing of Iron Ingots	72279090	9.70%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary Associate	% Shares	Applicable Section
		NIL			

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity) - Category-wise Share Holding

Category of Shareholders	No. of Shares held at the end of the year[As on 1-April 2019]				No. of Shares held at the end of the year[As on 31-March-2020]				% Change
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	6150073	0	6150073	58.15	6150073	0	6150073	58.15	
b) Central Govt	0	0	0	0	0	0	0	0	
c) State Govt (s)	0	0	0	0	0	0	0	0	
d) Bodies Corp.									
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	
f) Any other--	0	0	0	0.00	0	0	0	0.00	
Sub-total (A) (1):-	6150073	0	6150073	58.15	6150073	0	6150073	58.15	
(2) Foreign									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	
e) Any Other....	0	0	0	0.00	0	0	0	0.00	
Sub-total (A) (2):-	0	0	0	0.00	0	0	0	0.00	
Total shareholding	6150073	0	6150073	58.15	6150073	0	6150073	58.15	

B. Public Shareholding

1. Institutions

- a) Mutual Funds
- b) Banks / FI
- c) Central Govt
- d) State Govt(s)
- e) Venture Capital Funds
- f) Insurance Companies
- g) FII's

- h) Foreign Venture
- i) Others (specify)

Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1106300	1270000	2376300	22.47	1106300	1270000	2376300	22.47	
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	98700	535895	634595	6.00	98700	535895	634595	6.00	
ii) Individual shareholders holding nominal share capital in excess of rs. 1 lakh	504300	841827	1346127	12.72	523700	822427	1346127	12.72	

c) Others NRI & Clearing	4500	65500	70000	0.66	4500	65500	70000	0.66	
Sub-total (B)(2):-									
Total Public Shareholding	1713800	2713122	4427022	41.85	1713800	2713122	4427022	41.85	

C. Shares held by Custodian for GDRs & ADRs									
Grand Total	7863873	2713122	10577095	100.00	7863873	2713122	10577095	100.00	

B) Shareholding of Promoter:-

Sl No	Shareholder's Name	Shareholding at the beginning of the year		Share holding at the end of the year		% of Change in Shareholding during the year
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	

1	Vallabhaneni Venkatramaiah	2655131	25.10	Nil	2655231	25.10	Nil	Nil
2	Vallabhaneni Balaji	1115400	10.55	Nil	1115400	10.55	Nil	Nil
3	Vallabhaneni HemaLatha	320400	3.03	Nil	320400	3.03	Nil	Nil
4	Vallabhaneni Surajkumar	1074142	10.16	Nil	1074142	10.16	Nil	Nil
5	Vallabhaneni Sangeetha	984900	9.31	Nil	984900	9.31	Nil	Nil
6	Vallabhaneni Venkatasubbamma	100	0.00	Nil	0.00	0.00	Nil	Nil
	TOTAL	6150073	58.15		6150073	58.15		

C) Change in Promoters' Shareholding (please specify, if there is no change):

There is no change in the Promoters' shareholding during the Financial Year 2019-20. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): There is change in Top Ten Shareholding during the financial year.

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
1	Sreehitha Refineries Ltd	1650000	15.60	1650000	15.60
2	Rajyalakshmi Poultry Products Limited	490000	4.63	490000	4.63
3	Dandamudi Avanindra Kumar	450000	4.25	450000	4.25
4	R.Prasada Rao	207600	1.96	207600	1.96
5	Netware Infotech Limited	200000	1.89	200000	1.89
6	Dintakurthi Kesava Rao	143000	1.35	143000	1.35
7	P.Srihari	68127	0.64	68127	0.64
8	Daljeet Kaur Arora	67100	0.63	67100	0.63
9	Ruchi Khanna	63100	0.60	63100	0.60
10	Dilawar Singh Arora	45300	0.43	45300	0.43
	Total	3384227	31.98	3384227	31.98

Sl. No.	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the End of the year (or on the date of separation, if separated during the year)				
1	Sreehitha Refineries Ltd	1650000	15.60	1650000	15.60
2	Rajyalakshmi Poultry Products Limited	490000	4.63	490000	4.63
3	Dandamudi Avanindra Kumar	450000	4.25	450000	4.25
4	R.Prasada Rao	207600	1.96	207600	1.96
5	Netware Infotech Limited	200000	1.89	200000	1.89
6	Dintakurthi Kesava Rao	143000	1.35	143000	1.35
7	P.Srihari	68127	0.64	68127	0.64
8	Daljeet Kaur Arora	67100	0.63	67100	0.63
9	Ruchi Khanna	63100	0.60	63100	0.60
10	Dilawar Singh Arora	45300	0.43	45300	0.43
	Total	3384227	31.98	3384227	31.98

Note:1. The shares of the Company are traded on a daily basis on the stock exchanges and hence date wise increase/ decrease in shareholding is not provided.

2. The details of date wise increase/decrease will be provided at the request of shareholder.

E) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	5829573	55.12	5829573	55.12
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
3	At the end of the year	5829673	55.12	5829673	55.12

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
1	V.VENKATRAMAIAH-DIRECTOR	2655131	25.10	2655231	25.10
2	V.BALAJI-JOINT MANAGING DIRECTOR	1115400	10.55	1115400	10.55
3	V.SURAJ KUMAR-JOINT MANAGING DIRECTOR	1074142	10.16	1074142	10.16
4	M.BHANU PRASAD-DIRECTOR	0	0	0	0
5	K.RAVI VARMA-DIRECTOR	0	0	0	0
6	V.SANGEETHA	984900	9.31	984900	9.31
7	G.BAPUJI	0	0	0	0
8	G.RAMESH BABU	0	0	0	0
	Total	5829573	55.12	5829673	55.12
	Increase / Decrease in Share holding				

1	V.VENKATRAMAIAH-DIRECTOR	0	0	100	0
2	V.BALAJI-JOINT MANAGING DIRECTOR	0	0	0	0
3	V.SURAJ KUMAR-JOINT MANAGING DIRECTOR	0	0	0	0
4	M.BHANU PRASAD-DIRECTOR	0	0	0	0
5	K.RAVI VARMA	0	0	0	0
6	V.SANGEETHA	0	0	0	0
7	G.BAPUJI	0	0	0	0
8	G.RAMESH BABU	0	0	0	0
	TOTAL	0	0	0	0

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

Ra.in Crores

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	12.28	0.00	Nil	12.28
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	NIL	Nil	Nil	Nil
Total (i+ii+iii)	12.28	0.00	Nil	12.28

Change in Indebtedness during the financial year				
- Addition	Nil	Nil	Nil	Nil
- Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	Nil	Nil	Nil
Indebtedness at the end of the financial year				
i) Principal Amount	10.75	0.00	Nil	10.75
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	10.75	0.00	Nil	10.75

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-
Remuneration to Managing Director:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		V.Venktramaiah	V.Balaji	V.Suraj Kumar	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	900000	900000	900000	27,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2474	133320	445524	581318
	I Profits in lieu of salary under	Nil	Nil	Nil	Nil
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify...				
5.	Others, please specify				
	Total (A)	902474	1033320	1345524	3281318
	Ceiling as per the Act (10% of Net Profit)				

Remuneration to other directors: Not Applicable

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
1.	Independent Directors					
	• Fee for attending board / committee meetings	Nil	Nil	Nil	Nil	Nil
	• Commission					
	Total (1)	Nil	Nil	Nil	Nil	Nil
	Other Non-Executive Directors					
	• Fee for attending board / committee meetings	Nil	Nil	Nil	Nil	Nil
	• Commission					
	• Others, please specify					
	Total (2)	Nil	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	Nil	Nil	Nil	Nil	Nil
	Total Managerial Remuneration	Nil	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act (11% of Net Profits)					lakhs

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER/AVTD:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 I Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil	Nil	Nil
5	Oihers, please specify	Nil	Nil	Nil	Nil
	Total	Nil	Nil	Nil	Nil

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences against the Company, Directors and other Officers in Default during the year ended 31st March 2020

BOARD OF DIRECTORS

CHAIRMAN

Sri Vallabhaneni Venkataramaiah

JOINT MANAGING DIRECTORS

Vallabhaneni Balaji
Vallabhaneni Suraj Kumar

INDEPENDENT NON-EXECUTIVE DIRECTORS

Medabalimi Bhanu Prasad
Kandimalla Ravi Varma
Gottipati Bapuji
Gottipati Ramesh Babu

WOMAN DIRECTOR

Vallabhaneni Sangeetha

BOARD COMMITTEES

AUDIT COMMITTEE

Gottipati Bapuji	Chairman
Medabalimi Bhanu Prasad	Member
Kandimalla Ravi Varmai	Member
Gottipati Ramesh Babu	Member
Representative of Auditors	Permanent Invitee

INVESTOR SERVICES COMMITTEE

Medabalimi Bhanu Prasad	Chairman
Kandimalla Ravi Varma	Member
Gottipati Bapuji	Member
Gottipati Ramesh Babu	Member

NOMINATION AND REMUNERATION COMMITTEE

Medabalimi Bhanu Prasad	Chairman
Kandimalla Ravi Varma	Member
Gottipati Bapuji	Member
Gottipati Ramesh Babu	Member

CSR COMMITTEE

Medabalimi Bhanu Prasad	Chairman
Gottipati Bapuji	Member
Gottipati Ramesh Babu	Member
Vallabhaneni Suraj Kumar	Member

Annexure – III

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 is 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.

Company Infrastructure

Your company operates from its registered office at Vijayawada. The company's unit, comprising of Solvent Extraction, Power Generation Plant and Steel Plant 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 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 make use of 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 three segments viz., Solvent Division, Power Division and Steel Division. A brief overview of the performance of the company – division wise is as follows

(Rs. In lakhs)

<i>Particulars</i>	<i>Solvent</i>	<i>Power</i>	<i>Steel</i>	<i>Inter-segment</i>	<i>Total</i>
Sales/Income	6766.49	1385.08	849.52	(244.28)	8756.81
Profit	126.14	40.14	-97.56	--	68.72
Assets	1993.04	1616.86	452.35	(559.72)	3502.53
Liabilities	1096.84	222.57	483.07	(559.72)	1242.76
Capital Employed	896.20	1394.29	-30.72	--	2259.77

Operational Performance

Analysis of profitability is given below

(Rs. In lakhs)

Particulars	2019-2020	2018-2019
Net Sales	8756.81	8229.55
Other Income	15.56	5.38
Total Income	8772.37	8234.92
PBDIT	216.70	192.32
Finance Charges	102.07	81.69
Depreciation	45.91	45.70
Profit Before Tax	68.72	64.93
Provision for Tax	17.18	10.48
Deferred Tax Liability/(Asset)	4.43	35.62
Profit After Tax	47.11	18.83
EPS – Basic and Diluted	0.45	0.17

Sales Turnover

Your company manufactures Rice Bran Oil in its Solvent Unit along with the by-product i.e. De-Oiled Rice Bran. Power was being produced in the Power Plant during the entire period of 12 months. Your company is manufacturing iron ingots in its Steel Division. After inter-segment eliminations your company achieved a turnover of Rs.8756.81 lakhs.

Other Income

Other income mainly 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.102.07 as against Rs.81.69 lakhs for the year 2018-2019.

Profit Before Depreciation, Interest And Taxes (PBDIT)

PBDIT was Rs.216.70 lakhs as against Rs 192.32 lakhs for the year ending 31st March 2019. The increase in PBDIT was profit increase in Solvent division due to Sales increase

Profit After Tax (PAT)

Profit after tax was Rs.47.11 lakhs for the year 2019-2020 as against Rs.18.83 lakhs for the year 2018-2019

Earnings Per Share (EPS)

EPS has been increased from Rs 0.26 to Rs.0.45 for the year under review.

Fixed Assets

Addition to the Fixed Assets of the Power Division Unit amount to Rs2.69 lakhs

Inventories

Major items of inventories as on 31st March 2020 are as

Particulars	31/03/2020(Rs.in lakhs)	31/03/2019(Rs.in lakhs)
Raw Materials	456.25	492.24
Finished Goods	162.08	406.73

Receivables

Receivables as on 31/03/2020 amounted to Rs.1796.13 lakhs as against Rs.1592.88 lakhs as on 31/03/2019

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.

Annexure – IV

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 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 31st March 2020

Category	No. of Directors	Percentage of Total No. of Directors.
Promoter Executive Directors	3	37.50%
Promoter - Woman - Non Executive Director	1	12.50%
Non – executive Independent Directors	4	50%
Total	8	100 %

As on 31st March 2020, the Company's Board consists of Eight members. The Chairman of the board is an Executive Director. The Company has an optimum combination of Executive and Non-Executive Directors in accordance with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). The Board has Three Executive Directors, Four Non-Executive Independent Directors and One 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	K.Ravi Varma	Independent	--	--	-	3
06	M.Bhanu Prasad	Independent	--	--	3	1
07	G Bapuji	Independent	--	1	1	3
08	G. Ramesh Babu	Independent	--	1	--	4

Number of Board Meetings held in Financial Year 2019-2020 with dates and attendance of Directors

Eighth Board Meetings were held during the Financial Year 2019-2020 on 29th May, 2019, 31st July, 2019, 13th August, 2019, 9th September 2019, 9th October, 2019, 21st October 2019, 16th December, 2019 and 13th February 2020

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	8	YES
02	V.Balaji	8	YES
03	V.Suraj Kumar	7	YES
04	K.Ravi Varma	4	No
05	M.Bhanu Prasad	8	YES
06	V. Sangeetha	7	YES
07	G. Bapuji	7	YES
08	G. Ramesh Babu	8	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 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 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 Three committees of the Board are - the Audit Committee, the Investor Services Committee and the Remuneration Committee. The respective chairman convenes the committees. The composition of the committees and the related attendance are provided below. Since there is no Company Secretary in employment with the company, Chairman of the respective committee is acting as Secretary also.

Audit Committee

The 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 oversee 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 292A of the Companies Act, 1956.

Composition

The Audit Committee consists of the following members:

- | | | |
|----|----------------------------|-------------------|
| 1. | Gottipati Bapuji | Chairman |
| 2. | Medabalimi Bhanu Prasad | Member |
| 3. | Kandimalla Ravi varma | Member |
| 4. | Gottipati Ramesh Babu | Member |
| 5. | Representative of Auditors | Permanent Invitee |

The above composition of the Audit Committee consists of four independent Directors

Attendance

Details of the meetings held during the year.

<i>Sl.No.</i>	<i>Date</i>	<i>Committee Strength</i>	<i>No. of Members Present</i>
01	29/05/2019	5	4
02	31/07/2019	5	4
03	09/10/2019	5	5
04	13/02/2020	5	5

Terms of Reference

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is 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 management.
- Significant adjustments arising out of audit.
- The going concern assumption.
- Compliance with 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 nonpayment of declared dividends) and creditors.

Investor Services Committee

The Investor Services 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 Investor Services Committee consists of the following members:

- | | |
|-------------------------|----------|
| Medabalimi Bhanu Prasad | Chairman |
| Kandimalla Ravi Varma | Member |
| Gottipati Bapuji | Member |
| Gottipati Ramesh Babui | Member |

The above composition of the Investor Services Committee consists of four independent Directors

Attendance

Details of the meetings held during the year.

<i>Sl.No.</i>	<i>Date</i>	<i>Committee Strength</i>	<i>No. of Members Present</i>
01	09/10/2019	4	4
02	13/02/2020	4	4

Shareholder Complaints

During the year under review, the Company received one complaint and the same has been disposed off by sending clarification letter to the Authority with the requisite proofs

Nature of Complaints

Non Receipt of Annual Report

Remuneration Committee

The Remuneration Committee oversees review the remuneration to the executive directors.

Composition

The Remuneration Committee consists of the following members:

Medabalimi Bhanu Prasad	Chairman
Kandimalla Ravi Varma	Member
Gottipati Bapuji	Member
Gottipati Ramesh Babu	Member

Attendance

Details of the meetings held during the year.

Sl.No.	Date	Committee Strength	No. of Members Present
01	09/10/2019	4	4
02	13/02/2020	4	4

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.
3. Details of the remuneration to Directors

Name	Salary	Perquisites	Total
V.Venkataramaiah	9,00,000	2,474	9,02,474
V.Balaji	9,00,000	1,33,320	10,33,320
V.Suraj Kumar	9,00,000	4,45,524	13,45,524
K.Ravi Varma	--	--	--
M.Bhanu Prasad	--	--	--
V. Sangeetha	--	--	--
G. Bapuji	--	--	--
G. Ramesh Babu	--	--	--
TOTAL	27,00,000	5,81,318	32,81,318

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..25 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 whole company
4.	Smt.V.Sangeetha	Experience in Solvent extraction and rice milling
5.	Sri.M.Bhanu Prasad	Experience in power & solvent extraction plants
6	Sri,K.Ravi Varma	Experience in Solvent& Refinery plants
7	Sri.G.Bapuji	Audit and Risk Management
8	Sri G.Ramesh Babu	Sales,Marketing

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 entities in the network firm/network entity of which the statutory auditor is a part, are as follows:

Type of Service	Financial Year ended 31/03/2020
Audit Fees	1,00,000
Tax Fees	50,000
Others	50,000
TOTAL	2,00,000

Disclosure on Accounting Treatment

In the preparation of financial statements for the financial year 2019-20 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
2016-2017	Registered Office of the Company	29-09-2017	11:00AM
2017-2018\	Registered Office of the Company	29-09-2018	11:00AM
2018-2019\	Registered Office of the Company	30-09-2019	11:00AM

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. 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 not communicated as the regional stocks exchanges in which the company is listed were inoperative. 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.
- Management Discussion and Analysis forms part of this Annual Report.

CEO/ CFO Certification

In line with the requirements of Regulation 17 of the Listing Regulations, Sri V. Suraj Kumar, Joint Managing Director have submitted a certificate to the Board, certifying inter-alia, that the Financial Statements and the Cash Flow Statement for the year ended March 31, 2020 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 : 16th December 2020 at 11.00 A.M.
Venue : D.No.74-2-19, Old Check Post Center,
Krishna Nagar , Vijayawada.

B. Financial Year 2019-2020

First Quarter Results : July/ August 2020
Second Quarter Results : October/ November 2020
Third Quarter Results : January / February 2021
Annual Results : May 2021

C. Dates of Book Closure : 10th December to 16th December2020 (both days inclusive).

D. Dividend Payment Date : N.A.

E. Listing on Stock Exchange : The company's shares are listed at ,
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 last financial year on any of the stock exchange listed above.

H. Stock Performance : The company's stock is not quoted during the last financial year on any of the stock exchanges listed above.

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 M/s 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	35.58	73,300	0.69
5,001-10,000	162	29.56	1,44,600	1.37
10,001-20,000	74	13.50	1,17,600	1.11
20,001-30,000	16	2.92	41,100	0.39
30,001-40,000	24	4.38	83,100	0.79
40,001-50,000	12	2.19	58,600	0.55
50,001-1,00,000	26	4.75	1,81,695	1.72
1,00,001- and above	39	7.12	98,77,100	93.38
TOTAL	548	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 and CDSL. 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 days.

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

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

2. Further unresolved complaints

THE JOINT MANAGING DIRECTOR,
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 th Floor, Kamala Mills Compound, Lower Parel, Mumbai – 400 013 Tel : 091-022-24972964-70 Fax : 091-022-24972993 / 24976351 Email : info@nsdl.co.in	Central Depository Services (India) Ltd PhirozeJeejeebhoy Towers, 17 th Floor, Dalal Street, Mumbai – 400 023 Tel : 091-022-22723333/22723224 Fax: 091-022-22723199 Email : investors@cdslindia.com
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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. 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 – V

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**

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	Sreechitha Refineries Limited
b)	Nature of contracts/arrangements/transaction	Purchase and Sale of Rice Bran Oil
c)	Duration of the contracts /arrangements / transaction	5 years
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	In the Normal Business Practises
e)	Date of approval by the Board	30-05-2018
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 31st March 2020, the statement of Profit and Loss, and 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 to us, 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, of the state of affairs of the Company as at 31st March 2020, its profit/loss and its cash flows for the year ended on that date.

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, Corporate Governance 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 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 the 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 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020 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 A”.
- (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 us:

- 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.

2. As required by the Companies (Auditor’s Report) Order, 2016 (‘the Order’) issued by the Central Government in terms of Section 143(11) of the Act, I give in ‘Annexure B’ a statement on the matters specified in paragraphs 3 and 4 of the Order.

Place: Vijayawada
Date : 30th July, 2020

Polavarapu Janardhan
Chartered Accountant
ICAI M.No: 26498
UDIN : 20026498AAAAAG3496

ANNEXURE ‘A’ TO THE INDEPENDENT AUDITORS’ 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, 2020 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.

Auditors’ 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 auditors’ 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 me, 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, 2020, 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: 30th July, 2020

Polavarapu Janardhan

Chartered Accountant
ICAI M.No: 26498
UDIN : 20026498AAAAAG3496

ANNEXURE 'B' 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, 2016 ('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')

1. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in my opinion, provides for physical verification of all the fixed assets 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 deed provided to me, I report that, the title deeds, comprising all the immovable properties of lands which are freehold, are held in the name of the Company as at the balance sheet date.
2. The inventories of the company have been physically verified by the Management during the year at reasonable intervals. 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.
3. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.
4. The provisions of paragraph 3(iv) of the Order are not applicable to the company as the Company has not granted any loans as specified in Section 185 of the Act or has not made any investments as specified in Section 186 of the Act.
5. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
6. 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 are 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.

7. According to the information and explanations given to me, in respect of statutory dues:

- (a) The Company has generally been regular in depositing undisputed statutory dues, including Income Tax, Goods & Service Tax and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Income Tax and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- (c) According to the records of the Company and as per the information and explanations given to us, there are no dues of income tax, duty of excise, value added tax, service tax or cess which has not been deposited on account of dispute as on 31.03.2020, except value added tax and central sales tax the details of which are as given below:

<i>Name of the Statute</i>	<i>Nature of Dues</i>	<i>Amount (Rs)</i>	<i>Period to which the amount relates</i>	<i>Forum where dispute is pending</i>
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

8. In my opinion and according to the information and explanations given to me, the Company has not defaulted in the repayment of loans or borrowings to banks or financial institutions. The Company does not have any loans or borrowings from government and has not issued any debentures.
9. During the year, the Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments). In my opinion and according to the information and explanations given to us the funds raised by the company through term loans were utilized for the purpose for which they were raised.
10. To the best of my knowledge and according to the information and explanations given to me, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

11. In my opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
13. In my opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
15. In my opinion and according to the information and explanations given to me, during the year 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.
16. The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934 and hence the clause is not applicable to the company.

Place: Vijayawada
Date: 30th July, 2020

Polavarapu Janardhan
Chartered Accountant
ICAI M.No: 26498
UDIN : 20026498AAAAAG3496

BALAJI AGRO OILS LIMITED
VIJAYAWADA

Balance Sheet as at 31 March 2020

(Amount in Rs.)

	Notes	31 March 2020	31 March 2019
Equity and liabilities			
Shareholders' funds			
Share capital	2	105,770,950	105,770,950
Reserves and surplus	3	116,836,862	112,126,022
Share application money pending allotment		-	-
Non-current liabilities			
Long-term borrowings	4	6,834,107	11,603,137
Deferred Tax Liabilities (Net)	5	2,999,741	2,556,634
Long-term provisions		-	-
Current liabilities			
Short-term borrowings	6	104,219,987	116,984,880
Trade Payables	7	1,795,916	1,100,144
Other current liabilities	8	10,078,792	8,026,068
Short-term provisions	9	1,072,077	1,249,182
Total		349,608,432	359,417,017
Assets			
Non-current assets			
Tangible fixed assets	10	52,553,749	56,875,393
Non-current investments	11	535,500	535,500
Long-term loans and advances	12	487,581	133,810
Deferred tax assets (net)		-	-
Other non-current assets		-	-
Current assets			
Current Investments		-	-
Inventories	13	86,910,561	110,242,248
Trade Receivables	14	179,613,457	159,287,985
Cash and cash equivalents	15	7,431,386	4,018,507
Short-term Loans & Advances	16	2,928,034	8,683,265
Other Current Assets	17	19,148,164	19,640,309
Total		349,608,432	359,417,017

The accompanying notes are an integral part of the financial statements.

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As per our Report of even date

FOR AND ON BEHALF OF THE BOARD

Polavarapu Janardhan
Chartered Accountant

(V.VENKATRAMAIAH)
Chairman
DIN:00227148

Place: Vijayawada
Date: 30th July, 2020

(V.BALAJI)
Jt Managing Director
DIN:00227309

(V.SURAJ KUMAR)
Jt Managing Director
DIN:00227360

BALAJI AGRO OILS LIMITED
VIJAYAWADA

Statement of Profit and Loss for the year ended 31 March 2020

(Amount in Rs.)

Particulars	Notes	31 March 2020	31 March 2019
Income			
I. Revenue from operations	18	875,680,771	822,954,790
II. Other income	19	1,556,395	537,656
III. Total revenue (I + II)		877,237,166	823,492,446
IV. Expenses			
Cost of materials consumed	20	745,944,818	699,582,933
Changes in inventories of finished goods, WIP and Stock-in-trade	21	24,465,129	16,895,558
Employee benefit expense	22	26,163,613	24,872,962
Finance costs	23	10,207,230	8,169,315
Depreciation and amortization expense	10	4,590,718	4,570,495
Other expenses	24	58,993,371	62,908,543
Total expenses		870,364,879	816,999,806
V. Profit before exceptional and extraordinary items and tax (III-IV)		6,872,287	6,492,640
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V-VI)		6,872,287	6,492,640
VIII. Extraordinary items		-	-
XI Profit before tax		6,872,287	6,492,640
X Tax expense			
-Current tax		1,072,077	1,249,182
-Deferred tax liability/(Asset)		443,107	3,562,043
-MAT Credit Entitlement		646,263	(201,624)
Net Profit for the Year		4,710,840	1,883,039
XI Earnings per equity share [EPES]			
Weighted Average Number of Equity Shares		10,577,095	10,860,227
Basic EPS		0.45	0.17
Diluted EPS		0.45	0.17
Nominal value per equity share		10	10

The accompanying notes are an integral part of the financial statements.

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As per our Report of even date

FOR AND ON BEHALF OF THE BOARD

Polavarapu Janardhan
Chartered Accountant

(V.VENKATRAMAIAH)
Chairman
DIN:00227148

Place: Vijayawada
Date: 30th July, 2020

(V.BALAJI)
Jt Managing Director
DIN:00227309

(V.SURAJ KUMAR)
Jt Managing Director
DIN:00227360

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31TH MARCH, 2020

	Year ended 31st March,2020 Rs.	Year ended 31st March,2019 Rs.	
A) Cash flow arising from Operating Activities			
Net Profit before tax as per Profit and Loss Account	6,872,287	6,492,640	
Add/(Less):			
Profit on sale of assets	-	-	
Interest Income	(11,523)	(17,947)	
Loss on sale of Investment in Joint Venture	-	-	
Provision for doubtful debts	-	-	
Depreciation	4,590,718	4,570,495	
Interest and finance Charges (Net)	10,167,185	8,026,815	
	14,746,380	12,579,363	
Operating Cash Profit Before Working Capital changes	21,618,667	19,072,003	
Changes in working capital			
(Increase)/Decrease in Inventories	23,331,687	34,371,373	
(Increase)/Decrease in Trade Receivables	(20,325,472)	(19,797,761)	
(Increase)/Decrease in Other current assets	(154,118)	(3,980,459)	
(Increase)/Decrease in Loans and Advances	5,755,231	(721,273)	
(Increase)/(Decrease in Trade and other payables	2,748,496	(4,219,045)	
	11,355,824	5,652,835	
Less: Direct Taxes paid (Net of Refund)	(1,602,954)	(680,081)	
Net Cash inflow in the course of operating activities (A)	31,371,537	24,044,757	
B. Cash flow arising from Investing Activities			
Inflow			
Sale of Fixed Assets	-	-	
Interest income	11,523	17,947	
	11,523	17,947	
Outflow			
Investment in Joint venture	-	-	
Sale of Investment in Joint Venture	-	-	
Purchase of fixed assets	(269,073)	(2,950,478)	
	(269,073)	(2,950,478)	
Net Cash outflow in the course of investing activities (B)	(257,550)	(2,932,531)	
C. Cash flow from Financing Activities			
Inflow			
Receipt of allotment money	-	30,500	
Long Term Borrowings	-	-	
Increase in Working Capital Loan from a Bank	(12,764,893)	(10,028,044)	
	(12,764,893)	(9,997,544)	
Outflow			
Repayment of Term Loan	(4,769,030)	(1,473,412)	
Interest paid	(10,167,185)	(8,026,815)	
	(14,936,215)	(9,500,227)	
Net cash outflow in the course of Financing activities (C)	(27,701,108)	(19,497,771)	
Net Increase/(Decrease) in Cash/Cash equivalents (A+B+C)	3,412,879	1,614,455	
Add: Balance at the beginning of the year	4,018,507	2,404,052	
Cash/Cash equivalent at the close of the year	7,431,386	4,018,507	

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As per our Report of even date

FOR AND ON BEHALF OF THE BOARD

(V.VENKATRAMAIAH)
Chairman

Polavarapu Janardhan
Chartered Accountant

(V.BALAJI)
Jt. Managing Director

(V.SURAJ KUMAR)
Jt. Managing Director

Place: Vijayawada
Date: 30th July, 2020

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 Fixed Assets and Depreciation / Amortization:

Fixed Assets 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 and 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 from 1st September 2016 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 VIJAYAWADA

Notes to the financial statements

	31 March 2020		31 March 2019	
	Number	Amount	Number	Amount
2 Share capital				
Authorized				
Equity shares of Rs.10/- each	14,000,000	140,000,000	14,000,000	140,000,000
	14,000,000	140,000,000	14,000,000	140,000,000
Issued, subscribed and fully paid up				
Equity shares of Rs.10/- each	10,577,095	105,770,950	11,200,500	112,005,000
LESS: Calls in arrears				3,117,025
LESS: Forfeited Shares			623,405	3,117,025
	10,577,095	105,770,950	10,577,095	105,770,950

Rights, preferences and restrictions attached to :

Equity Shares:- The Company has only one class of equity sharehaving apar value of Rs 10per share. Eachshareholder iseligible 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.

	31 March 2020		31 March 2019	
	Number	Amount	Number	Amount
(a) Reconciliation of share capital				
Balance at the beginning of the year	10,577,095	105,770,950	11,200,500	112,005,000
Add: Allotted during the year	-	-	-	-
Less: Forfeited during the year	-	-	623,405	6,234,050
Balance at the end of the year	10,577,095	105,770,950	10,577,095	105,770,950

	31 March 2020		31 March 2019	
	Number	% holding	Number	% holding
(b) Shareholders holding more than 5% of paid up share capital				
Name of the shareholder				
Equity shares of Rs.10/- each				
Vallabhaneni Venkatramaiah	2,655,231	25.10%	2,655,131	25.10%
Vallabhaneni Balaji	1,115,400	10.55%	1,115,400	10.55%
Vallabhaneni Hemalatha	320,400	3.03%	320,400	3.03%
Vallabhaneni Suraj Kumar	1,074,142	10.16%	1,074,142	10.16%
Vallabhaneni Sangeetha	984,900	9.31%	984,900	9.31%
Sreechitha Refineries Limited	1,650,000	15.60%	1,650,000	15.60%
	7,800,073	73.74%	7,799,973	73.74%

	31 March 2020		31 March 2019	
	Number	Amount	Number	Amount
3 Reserves and surplus				
Capital Reserve				
Opening Balance		-		-
Add: Additions/(Adjustments) during the year			3,117,025	3,117,025
Closing Balance			3,117,025	3,117,025
General Reserve				
			-	-
Surplus in the statement of profit or loss				
Opening Balance		109,008,997		95,951,273
Add: Adjustment towards depreciation				11,174,686
		109,008,997		107,125,959
Add: Profit for the Year		4,710,840		1,883,039
Less: Appropriations				-
Closing Balance			113,719,837	109,008,997
TOTAL			116,836,862	112,126,022

**BALAJI AGRO OILS LIMITED
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Notes to the financial statements

	31st March 2020	31st March 2019
4 Long-term Borrowings		
Secured:		
Car Loan with HDFC Ltd - 44341345	-	-
Car Loan with HDFC Ltd - 50652865	817,974	2,059,899
Muthoot Money Pvt Ltd	-	1,197,508
Unsecured:		
Sales Tax Defferment	6,016,133	8,345,730
	6,834,107	11,603,137

*** 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

Terms of Repayment
Repayable in 36 Monthly instalments commencing from 07/01/2017 and last instalment due on 07/12/2019.

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

Repayable in 48 Monthly instalments commencing from 07/10/2017 and last instalment due on 07/09/2021.

Vehicle (Loader) Loan from Muthoot Money Private Limited is secured by hypothecation of vehicle purchased out of loan proceeds

Repayable in 23 Monthly instalments commencing from 02/05/2019 and last instalment due on 02/03/2021.

	2,556,634	(1,005,409)
5 Deferred Taxes		
Opening Balance	2,556,634	(1,005,409)
Add/(Less): Adjustments during the year	443,107	3,562,043
	2,999,741	2,556,634

	104,219,987	116,984,880
6 Short-term Borrowings		
Secured		
Loans repayable on Demand from Bank*	104,219,987	116,984,880
	104,219,987	116,984,880

* Secured by hypothecation of Stocks of Rawmaterials, Finished Goods and Book Debts outstanding for a period not exceeding 180 days.

	1,559,671	896,695
7 Trade Payables		
Due to Micro, Small & Medium Enterprises:		
Due to Others:		
Trade Creditors	1,559,671	896,695
Other Creditors	236,245	203,449
	1,795,916	1,100,144

Based on information available with the Company, as at 31st March 2020, 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.

	2,903,284	44,072,653
8 Other Current Liabilities		
Current Maturities of Long-Term Debt		
- HDFC Bank Ltd -44341345	-	329,541
- HDFC Bank Ltd -50652865	1,241,925	1,242,556
- Muthoot Money Pvt Limited	1,197,508	1,002,492
- Sales Tax Defferment	2,329,588	339,771
Statutory Liabilities		
- TDS Payable	483,554	398,099
- GST Payable	47,852	118,366
Others		
- Employee related payables	3,915,373	4,313,103
- Audit Fee	180,000	180,000
- Others	156,061	102,140
- Advance from Customers	526,931	-
	10,078,792	8,826,068

Note: 10 : Tangible Fixed Assets

S/L NO	NAME OF THE ASSET	GROSS BLOCK		DEPRECIATION BLOCK			NET BLOCK	
		As on 1st April 2019	Additions during the year	Deletions during the year	As on 31st March 2020	For the year Deletion	Total as on 31st March 2020	As on 31st March 2019
1	LAND	2,903,284	-	-	2,903,284	-	2,903,284	2,903,284
2	FACTORY BUILDING	44,072,653	-	-	44,072,653	1,368,078	28,698,419	16,742,312
3	OFFICE BUILDING	1,833,755	-	-	1,833,755	61,163	739,491	1,094,264
4	PLANT & MACHINERY	253,772,248	-	-	253,772,248	804,507	233,207,525	21,369,230
5	LAB EQUIPMENT	307,602	-	-	307,602	1,188	285,016	22,586
6	ELECTRICAL FITTINGS	5,774,530	-	-	5,774,530	5,571	5,465,668	314,433
7	FURNITURE & FITTINGS	415,654	-	-	415,654	779	394,871	21,561
8	VEHICLES	31,819,611	269,073	-	32,088,684	2,298,674	20,065,436	14,052,849
9	COMPUTER	906,011	-	-	906,011	7,989	841,943	64,068
10	OFFICE EQUIPMENT	1,691,880	-	-	1,691,880	41,947	1,522,726	169,154
11	PUMPSET	78,216	-	-	78,216	823	69,674	8,542
	TOTAL	343,575,444	269,073	-	343,844,517	4,590,718	291,290,768	52,553,749
	Previous Year	340,624,966	2,950,478	-	343,575,444	4,570,495	286,700,051	56,875,393
								47,320,724

BALAJI AGRO OILS LIMITED
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Notes to the Financial statements

9	Short-term Provisions	31st March 2020	31st March 2019
	Provision for Income Tax	1,072,077	1,249,182
		<u>1,072,077</u>	<u>1,249,182</u>
11	Non Current Investments		
	<u>Trade Investments</u>	-	-
	SBI Mutual Fund	500,000	500,000
	<u>Other Investments</u>		
	National Savings Certificates	35,500	35,500
	Less: Provision for diminution in value of investments	-	-
		<u>535,500</u>	<u>535,500</u>
12	Long-term Loans and advances		
	Unsecured, considered good		
	Loans and advances due by directors or other officers, etc.	-	-
	Loans and advances to related parties	-	-
	<u>Other</u>		
	Security deposits-Telephone & Gas Deposit	487,581	133,810
		<u>487,581</u>	<u>133,810</u>
13	Inventories		
	Rawmaterials	45,625,709	49,224,049
	Finished Goods	16,208,060	40,673,189
	Stores & Spares	25,076,792	20,345,010
		<u>86,910,561</u>	<u>110,242,248</u>
14	Trade Receivables		
	Unsecured and Considered Good		
	Outstanding for a period exceeding Six Months	43,250,427	24,523,676
	Others	136,363,030	134,764,309
		<u>179,613,457</u>	<u>159,287,985</u>

BALAJI AGRO OILS LIMITED
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Notes to the Financial statements

15	Cash & Cash Equivalents	31st March 2020	31st March 2019
	Balance with Banks		
	- In Current Accounts	4,972,294	943,504
	- In Deposit Account	282,683	282,683
	Cash in Hand	2,176,409	2,792,320
		<u>7,431,386</u>	<u>4,018,507</u>
16	Short-term Loans & Advances		
	Loans & Advances to Related Parties	-	-
	Others		
	Unsecured and Considered Good		
	Staff Advances	683,391	527,684
	Advances for Supplies	2,244,643	8,155,581
		<u>2,928,034</u>	<u>8,683,265</u>
17	Other Current Assets		
	Prepaid Insurance & expenses	7,342,717	5,466,283
	Insurance claim receivable	-	1,754,435
	Advance Tax	1,500,000	1,500,000
	TDS	59,769	27,650
	MAT Credit Entitlement	10,245,678	10,891,941
		<u>19,148,164</u>	<u>19,640,309</u>
18	Revenue From Operations		
	<u>Sale of Products</u>		
	Rice Bran Oil	304,283,605	286,262,130
	Deoiled Bran	372,261,024	303,042,808
	Power	113,638,272	112,472,619
	Gummies & Ash&Scrap	546,409	751,943
	Iron Ingots	84,951,461	120,425,290
		<u>875,680,771</u>	<u>822,954,790</u>

BALAJI AGRO OILS LIMITED
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Notes to the Financial statements

	31st March 2020	31st March 2019
19 Other Income		
Interest on Electricity Deposit	11,523	17,947
Insurance Claim from Machinery break down policy	179,085	264,619
Others	469,085	46,528
Credit Writeoff	896,702	-
Enhanced Compensation received on Compulsory Acquisition of Land	-	208,562
	1,556,395	537,656
20 Cost of Material Consumed		
Solvent Extraction Unit		
A. Opening Stocks		
Rawmaterials		
Bran	20,786,644	20,270,671
	20,786,644	20,270,671
B. Purchases		
Rawmaterials		
Bran	571,055,779	495,770,041
Inward Freights	-	-
Commission	2,146,759	2,374,129
	573,202,538	498,144,170
C. Closing stocks		
Rawmaterial	24,784,329	20,786,644
	24,784,329	20,786,644
TOTAL = A+B-C	569,204,853	497,628,197
Power Generation Unit		
A. Opening Stocks		
Raw materials		
Husk	14,515,995	23,509,722
Coal	3,268,921	16,339,352
Corn Hay	-	100,760
Coconut Hay	-	1,112,531
Palm Hay	-	197,710
	17,784,916	41,260,075
B. Purchases		
Raw Materials		
Husk	55,289,093	73,323,307
Coal	17,284,838	13,728,623
Corn Hay	10,267,515	338,540
Chilli Hay	1,694,259	484,100
Coconut Hay	3,322,859	826,759
Palm Hay	677,294	-
Pulses Hay	140,554	-
Jamooli Wast	578,844	50,844
	89,255,256	88,752,173
Less: Fire Loss	-	1,754,435
Net	89,255,256	86,997,738
Inward Freight	14,980,074	9,247,925
	104,235,330	96,245,663
C. Closing Stock of Raw Material		
Husk	11,954,053	14,515,995
Coal	501,867	3,268,921
Corn Hay	-	-
Palm Hay	-	-
Coconut Hay	-	-
	12,455,920	17,784,916
TOTAL(A+B-C)	109,564,326	119,720,822

BALAJI AGRO OILS LIMITED
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Notes to the Financial statements

	31st March 2020	31st March 2019
Steel Ingots Unit		
A. Opening Stocks		
Raw materials		
Scrap Iron	5,574,021	4,617,159
Pig Iron	1,620,556	910,155
Sponge Iron	3,457,912	3,303,661
	10,652,489	8,830,975
B. Purchases		
Raw Materials		
Scrap Iron	35,667,645	38,336,928
Sponge Iron	26,554,960	38,868,894
Pig Iron	1,109,259	4,304,642
	63,331,864	81,510,464
Inward Freights	1,576,746	2,544,964
	64,908,610	84,055,428
C. Closing Stock of Raw Material		
Scrap Iron	4,157,579	5,574,021
Pig Iron	4,227,881	1,620,556
Sponge Iron	-	3,457,912
	8,385,460	10,652,489
TOTAL(A+B-C)	67,175,639	82,233,914
Solven Extraction Unit	569,204,853	497,628,197
Power Generation Unit	109,564,326	119,720,822
Steel Ingots Unit	67,175,639	82,233,914
	745,944,818	699,582,933
21 Changes in Inventories of Finished Goods, WIP & Stock-in-trade		
Opening Stock of Finished Goods	40,673,189	57,568,747
Less: Closing Stock of Finished Goods	16,208,060	40,673,189
	24,465,129	16,895,558
22 Employee Benefit Expense		
Salaries, Wages, Bonus & Gratuity	20,687,534	19,413,681
Remuneration to Directors	3,281,318	3,227,679
Staff welfare & Compensation expenses	25,751	23,495
Contribution to EPF&ESI	2,169,010	2,208,107
	26,163,613	24,872,962

BALAJI AGRO OILS LIMITED
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Notes to the Financial statements

23 Finance costs	31st March 2020	31st March 2019
Interest on Working Capital	9,782,267	7,660,321
Interest on Vehicle Loan	384,918	366,494
Bank charges	40,045	142,500
	10,207,230	8,169,315
24 Other expenses		
Plant Maintenance	12,303,815	14,307,805
Stores & Spares Consumed	24,682,959	26,029,106
Generator Maintenance	673,016	-
Power Charges	1,762,276	3,115,265
Vehicle Maintenance	2,211,719	2,663,627
Repair and Service	1,840,764	741,250
Muta Wages & Maintenance	1,727,327	1,337,540
Printing and Stationery	73,459	108,581
Postage and Telephone charges	245,794	351,709
Travelling and conveyance	1,489,231	1,157,592
GST Penalty	123,822	-
Office Maintenance	626,607	451,615
Computer Maintenance	112,647	103,600
Insurance	2,402,327	1,663,634
Income Tax	-	3,636
Professional charges	769,800	83,000
Miscellaneous expenses	450,563	449,461
Repairs and maintenance-Service Charges	87,854	90,149
Taxes and Licenses fee paid	525,541	623,474
Commission on Sales	970,254	1,124,912
Vehicle Maintenance	1,302,022	1,054,601
Sales promotion expenses	5,050	8,895
Outward Freight Charges	3,604,961	5,350,600
Auditors Remuneration	200,000	200,000
Advertisement Expenses	98,915	103,848
Security Maintenance	592,363	589,214
Bad Debts written off	90,285	15,429
Donations	20,000	200,000
Road Repair Charges	-	980,000
	58,993,371	62,908,543

Notes: 25: Notes forming part of Financial Statements:

1. Details of Secured Loans and Security

a) Cash Credit from HDFC Bank

Cash Credit from HDFC Bank to the extent of Rs.1500.00 Lacs secured by hypothecation of Stocks of Raw materials, Stores & Spares, Finished Goods, Book Debts both present and future.

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

Term Loan from Muthoot Money Pvt Ltd is secured by hypothecation of Loader 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	31.03.2020 (Rs.in Lakhs)	31.03.2019 (Rs.in Lakhs)
a) Segment Revenue (Net Sales/Income from each Segment)		
i) Solvent Extraction Division	6766.49	5893.93
ii) Power Division	1385.08	1409.70
iii) Steel Division	849.52	1204.25
TOTAL:	9001.09	8507.88
Less: Inter Segment Revenue	244.28	278.34
Net Sales/Income from Operations	8756.81	8229.54
b) Segment Results (Profit(+)/Loss(-) before tax from each segment)		
i) Solvent Extraction Division	126.14	97.67
ii) Power Division	40.14	(44.48)
iii) Steel Division	(97.56)	11.74
TOTAL:	68.72	64.93
Less: Other Unallocable Expenditure net off/Unallocable Income	--	--
Profit Before Tax	68.72	64.93

c) Capital Employed		
Segment Assets:		
i) Solvent Extraction Division	1993.04	2147.41
ii) Power Division	1616.86	1567.17
iii) Steel Division	452.35	329.35
TOTAL:	4062.25	4043.93
Less: Inter Segment Assets	559.72	451.78
Net Segmental Assets	3502.53	3592.15
Segment Liabilities:		
i) Solvent Extraction Division	1096.84	1375.54
ii) Power Division	222.57	225.16
iii) Steel Division	483.07	264.26
TOTAL:	1802.49	1864.96
Less: Inter Segment Liabilities	559.72	451.78
Net Segmental Liabilities	1242.76	1413.18
Capital Employed (Segmental Assets – Segmental Liabilities)		
i) Solvent Extraction Division	896.20	771.87
ii) Power Division	1394.29	1342.01
iii) Steel Division	(-30.72)	65.09
TOTAL:	2259.77	2178.97

5. 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**
V.Venkataramaiah
V.Suraj Kumar
V.Balaji

b) Related Party Transactions for the Year Ended 31st March 2020

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)	Closing Balance (Rs)
Remuneration to Key Managerial Personnel	32,81,318	Nil
Purchase of Rice Bran from Srinivasa Raw & Par Boiled Rice Mill	5,47,66,879	Nil
Purchase of Husk from Srinivasa Raw & Par Boiled Rice Mill	Nil	Nil
Sale of R.B oil to Sreehitha Refineries Limited	12,58,63,814	Nil

6. 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 31st March 2020, 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.

7. 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.

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

9. Managerial Remuneration:

Particulars	2019-20 (Rs)	2018-19 (Rs)
V.Venkataramaiah	9,02,474	9,82,372
V.Balaji	10,33,320	9,82,519
V.Suraj Kumar	13,45,524	12,62,788

10. Auditors Remuneration includes the following:

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

11. Contingent Liabilities not provided for:

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Sales Tax liability against which company has preferred appeals	15,75,449/-	15,75,499/-

12. 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’.

13. Earnings Per Share as per Accounting Standard-20

Particulars	2019-2020 (Rs)	2018-2019 (Rs)
Profit attributable to Equity Shareholders (A)	47,10,840/-	18,83,039/-
Basic/weighted average number of equity shares outstanding during the year (Nos) (B)	1,05,77,095	1,08,60,227
Nominal Value of Equity Share(Rs)	10/-	10/-
Earnings Per Share (Basic & Diluted) (Rs.10/- paid up)	0.45	0.17

14. Accounting for taxes on income as per Accounting Standard-22

The deferred tax liability for the year 2019-20 due to timing differences between financial statements and taxation statements as per the applicable rate of taxation, estimated as Rs.4,43,107/- 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 31-03-2020 is as given below:

Particulars	(Liability) /Asset as at 1-4-2019	(Charges) /Credit for the year	(Liability) /Asset as at 31-3-2020
Timing differences on Account of			
Depreciation on Assets	(25,56,634)	(4,43,107)	(29,99,741)
Total	(25,56,634)	(4,43,107)	(29,99,741)

15. Accounting for Effects of Changes in Foreign Exchange Rates:

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

16. Details of Capacities and Production :

- A) Licensed Capacity : Not Applicable.
- B) Installed Capacity : 200 M.Ts. per day.(SOLVENT EXTRACION)
4.5 M.W (POWER DIVISION)
(As certified by the management but not verified by Auditors being a technical matter.)
- C) Actual : 27374.74 M.T (SOLVENT EXTRACTION)
: 2,41,45,100 UNITS (POWER)
3,097.170 M.T(STEEL)

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

Particulars	2019-20		2018-19	
	Qty in MTs	Value (Rs.in lakhs)	Qty in MTs	Value (Rs.in lakhs)
TURNOVER				
Rice Bran Oil	5531.240	3042.84	5228.780	2862.62
De-Oiled Rice Bran (Including gunnies Quantity & Value)	22479.370	3722.61	24216.040	3030.42
Power (Units)	17779200	1136.38	17692900	1124.73
Captive Consumption(Units)	3821600	244.27	4378300	278.34
Utilized in Auxiliaries	2544300	0.00	2468600	0.00
Iron Ingots	2960.960	849.51	3582.810	1204.25
Others - Gummies, Ash ,Scrap		5.46		7.52
Raw Material Consumed				
Rice Bran	27374.70	5692.04	27502.836	4976.28
Husk	24078.78	596.50	30293.290	838.63
Coal	12346.000	311.17	12222.000	328.49
Corn Hay	5319.335	102.68	225.970	3.39
Pam Hay	792.090	6.77	232.600	0.20
Coconut Hay	4893.309	54.38	2526.030	21.15
Black Gram	0.00	0.00	0.000	0.00
Baggasse	0.00	0.00	0.000	0.00
Chilli Hay	1255.620	16.94	349.990	4.84
Jamoiil Wast	482.370	5.79	42.370	0.51
Pulses Hay	71.040	1.41	0.00	0.00
Scrap & Sponge & Pig Pig Iron	3602.620	671.76	4229.40	822.33
Purchase of Raw Material				
	Qty in MTs	(Rs.in.lakshs)	Qty in MTs	(Rs.in lakhs)
Rice Bran	27745.709	5732.02	27531.566	4981.44
Husk	23887.700	570.88	27233.085	748.70
Coal	11343.910	283.50	6844.560	197.79
Corn Hay	5319.335	102.68	175.590	2.38
Chilli Hay	1255.620	16.94	349.990	4.84
Coconut Hay	4893.309	54.38	1523.150	10.03
Pulses Hay	71.040	1.41	0.0	0.00
Baggasse	0.00	0.00	0.000	0.00
Palm Hay	792.090	6.77	0.00	0.00
Jamoiil Wast	482.370	5.79	42.370	051
Scrap & Sponge & Pig Iron and Pet Coke	3560.94	649.09	4266.99	840.55

Opening Stock of Raw Material				
Rice Bran	1618.139	207.86	1589.409	202.70
Husk	5583.075	145.16	8643.280	235.10
Coal	1264.573	32.69	6642.013	163.39
Corn Hay	0.00	0.00	50.380	1.00
Coconut Hay	0.00	0.00	1002.28	11.13
Palm Hay	0.00	0.00	232.600	1.98
Black Gram	0.00	0.00	0.00	0.00
Baggasse	0.000	0.00	0.000	0.00
Scrap & Sponge Iron	505.954	106.52	468.364	88.31
Closing Stock of Raw Material				
Rice Bran	1989.108	247.84	1618.139	207.86
Husk	5391.995	119.54	5583.075	145.16
Coal	262.483	5.02	1264.573	32.69
Corn Hay	0.00	0.00	0.00	0.00
Coconut Hay	0.00	0.00	0.00	0.00
Palm Hay	0.00	0.00	0.00	0.00
Scrap & Sponge and Pig Iron	464.274	83.85	505.954	106.52
Opening Stock of Finished Goods				
Rice Bran Oil	526.270	244.71	437.350	189.37
De-Oiled Rice Bran	793.334	91.23	2811.572	289.59
Iron Ingots	223.290	70.78	293.100	96.72
Closing Stock of Finished Goods				
	2019-20		2018-2019	
Rice Bran Oil	11.990	5.87	526.270	244.71
Deoiled Rice Bran	504.887	58.06	793.334	91.23
Iron Ingots	359.500	98.14	223.290	70.78
Inflow of Foreign Exchange		Nil		NIL
Outflow of Foreign Exchange		Nil		Nil

Signatures to Schedules 1 To 26

As per our Report of even date

For and on behalf of the Board

Polavarapu Janardhan
Chartered Accountant

(V. VENKATRAMAIAH)
Chairman
DIN: 00227148

Place: Vijayawada
Date : 30th July 2020

(V. BALAJI)
Jt. Managing Director
DIN: 00227309

(V. SURAJ KUMAR)
Jt. Managing Director
DIN: 00227360

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 26th Annual General Meeting of the shareholders of Balaji Agro Oils Limited on Wednesday, the 16th Day of December, 2020 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 9th December, 2020 (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
	Please refer notes about e-voting instructions in the Notice.	

The e-voting period commences from 10:00 a.m. on 12th December, 2020 and ends on 15th December, 2020 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 9th December, 2020, 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 16th December, 2020.

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(6) 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 26th Annual General Meeting of the Company, to be held on Wednesday, the 16th Day of December, 2020 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
Ordinary Business:		
1. To receive, consider and adopt the audited financial statements of the company for the financial year ended 31 st March, 2020 together with the reports of the Board of Directors and the Auditors thereon.		
2. To appoint a Director in place of Sri Vallabhaneni Balaji (DIN : 00227309), who retires by rotation and offers himself for re-appointment.		
3. To ratify the re appointment of Statutory Auditors and fix their remuneration		
4. Authorisation to borrow funds to the extent of and not exceeding Rs. 100 Crores.		
5. Authorisation to Create Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings to the extent of and not exceeding Rs.100 Crores.		

Signed this _____ day of _____ 2020.

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.

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 M. BHANU PRASAD

Director

Sri G.BAPUJI

Director

Sri K. RAVI VARAMA

Director

Sri G. RAMESH BABU

Director

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, Krishna District. Ph : 0866-2822672

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

BALAJI AGRO OILS LIMITED



26th Annual Report

2019 - 2020