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BALAJI AGRO OILS LIMITED

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

BALAJI AGRO OILS LIMITED



23rd Annual Report

2016 - 2017

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

M/s. Suresh and Babu

Chartered Accountants

Santhinagar, Vijayawada - 520 010

Share Transfer Agent

M/s. XL Softech Systems Limited.,

3, Sagar Society, Road No. 2

Banjara Hills, Hyderabad

Registered Office

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

Vijayawada - 520 007.

Factory At

Davuluru

Kankipadu Mandal, Krishana District

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 23rd Annual General Meeting of the members of M/s. Balaji Agro Oils Limited (L15143AP1994PLC017454) will be held on Friday, the 29th day of September, 2017 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 Statement of Profit & Loss for the year ended 31st March 2017 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, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there-under, and pursuant to the recommendation of the Audit Committee, the consent of the members of the Company be and is hereby accorded to appoint Sri P. Janardhan, Chartered Accountant, Membership No. 26498, as Statutory Auditor of the Company, in place of retiring Auditors M/s. Suresh and Babu, Firm Registration No. 004254S), for a period of 5 (Five) years subject to the ratification of members in every Annual General Meeting, on such terms as may be agreed upon by the Board of Directors and the Auditor, in addition to reimbursement of all out of pocket expenses in connection with the audit of the accounts of the Company."

Special Business:

4. 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 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors)

Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Vallabhaneni Sangeetha (DIN : 07437197), who was appointed as an Additional Director pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who hold office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as a Woman Director of the Company, liable to retire by rotation."

5. 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 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Sri Bapuji Gottipati (DIN : 00227436), who was appointed as an Additional Director cum Independent Director pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who hold office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director for a period of 5 years with effect from 31st October, 2016, not liable to retire by rotation."

6. 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 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Sri Gottipati Ramesh Babu (DIN : 02870978), who was appointed as an Additional Director cum Independent Director pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who hold office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director for a period of 5 years with effect from 31st October, 2016, not liable to retire by rotation."

By Order of the Board
For BALAJI AGRO OILS LIMITED

Sd/-

Place : Vijayawada

Date : 14th August, 2017

V. SURAJ KUMAR
Jt. Managing Director
DIN : 00227360

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. An Explanatory Statement pursuant to provisions of Section 102 of the Companies Act, 2013, is annexed hereto in respect of special business for the item Nos. 4.
3. 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.
4. 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.
5. Pursuant to Sec.91 of the Companies Act, 2013 and Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed for 7 days i.e. from 23.09.2017 to 29.09.2017 (both days inclusive).
6. Non-resident Indian Shareholders are requested to inform us immediately the changes in Residential status on return to India for permanent settlement the particulars of Bank NRE Account, if not furnished earlier.

7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / XL Softech Systems Ltd.
8. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
9. Members desiring any information on the financial statements at the Annual General Meeting are requested to write to the Company at least seven days in advance so as to enable the Company to keep the information ready.
10. Members are requested to quote Folio Number/ Client ID No in all correspondence. Members are requested to update their Email ID with their respective depository participant and with the company's Registrar and Transfer Agents.
11. As the Company's Equity shares are compulsorily traded in demat mode, shareholders holding shares in physical form are requested to dematerialize the same.
12. In accordance with the MCA's "Green Initiative in Corporate Governance" allowing companies to share documents with its shareholders in the electronic mode and related amendments to the Listing Agreement with the Stock Exchanges, the company is sharing all documents with shareholders in the electronic mode, wherever the same has been agreed to by the shareholders. Shareholders are requested to support this green initiative by registering/ updating their e-mail addresses for receiving electronic communications.

13. E-VOTING

Pursuant to Section 108 of the Companies Act, 2013 read with relevant Rules of the Act and 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 26th September, 2017 and will end at 5:00 p.m. on 28th September, 2017. The Company has appointed Mr. Mahesh Granchi (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
170823028	26-09-2017	28-09-2017

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.

1. The instructions for members for voting electronically are as under:
The voting period begins on Tuesday, the 26th September, 2017 at 10:00 a.m and ends on Thursday the 28th September, 2017 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 22.09.2017, 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 RA00090001 in the PAN field.
Dividend Bank Details OR Date of Birth	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. 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.

(xii) 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, 2017. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xvii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com 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 Vallabhaneni Balaji (DIN No. 00227309) who retires by rotation and being eligible and offers himself reappointment

Sri. Vallabhaneni Balaji aged 49 years, is a Post Graduate in Master of Commerce and having rich experience in Rice mill & Solvent Extraction, Power generation industries and manufacturing of Iron Ingots industry.

The terms as set out in the resolution and explanatory statement may be treated 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

The Board of Directors has received a notice from the shareholder proposing the candidature of Smt Sangeetha Vallabhaneni (DIN : 07437197) as a Woman Director to be appointed under the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Smt Sangeetha Vallabhaneni (DIN : 07437197) aged 45 years is a Graduate in B.SC (Computers) and having rich experience in Solvent extraction and rice milling industries. The Company has received from Smt Sangeetha Vallabhaneni (DIN : 07437197) (i) consent in writing to act as Woman Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014 (ii) intimation in Form DIR- 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

The Resolution seeks the approval of members for the appointment of Smt Sangeetha Vallabhaneni (DIN : 07437197) as Woman Director of the Company pursuant provisions of the Companies Act, 2013 and the Rules made hereunder. She is not liable to retire by rotation.

None of the Directors, Key Managerial Personnel or their relatives, except Smt Sangeetha Vallabhaneni, Sri Vallabhaneni Venkataramaiah, Sri Vallabhaneni Balaji

and Sri Vallabhaneni Suraj Kumar, for whom the Resolution relates, are interested or concerned in the Resolution.

The Board seeks approval of the members for the appointment of Smt Sangeetha Vallabhaneni (DIN : 07437197) as woman Director of the Company pursuant to the provisions of the Act, Rules made there under and that she shall be liable to retire by rotation.

The terms as set out in the resolution and explanatory statement may be treated 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. 5

The Board of Directors has received a notice from the shareholder proposing the candidature of Sri Bapuji Gottipati as an Independent Director to be appointed under the provisions of Section 149 and 152 of the Companies Act, 2013, Sri Bapuji Gottipati aged 51 years, is a ITI and having rich experience in Rice Milling. The Company has received from Sri Bapuji Gottipati (i) consent in writing to act as Independent Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014 (ii) intimation in Form DIR- 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the companies Act, 2013.

The Resolution seeks the approval of members for the appointment of Sri Bapuji Gottipati as an Independent Director of the Company for a term of 5 consecutive years pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made hereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Sri Bapuji Gottipati proposed to be appointed, as an Independent Director, fulfill the conditions specified in the Companies Act, 2013 and the Rules made hereunder and he is independent. A copy of the draft letter for the appointment of Sri Bapuji Gottipati as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's Registered Office during normal business hours on working days up to the date of the Annual General Meeting.

None of the Directors, Key Managerial Personnel or their relatives, except Sri Bapuji Gottipati for whom the Resolution relates, are interested or concerned in the Resolution.

The Board seeks approval of the members for the appointment of Sri Bapuji Gottipati as an Independent Director of the Company for five consecutive years pursuant to section 149 and other applicable provisions of the Act, Rules made there under and that he shall not be liable to retire by rotation.

The terms as set out in the resolution and explanatory statement may be treated 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. 6

The Board of Directors has received a notice from the shareholder proposing the candidature of Sri Gottipati Ramesh Babu (DIN : 02870978) as an Independent Director to be appointed under the provisions of Section 149 and 152 of the Companies Act, 2013, Sri Gottipati Ramesh Babu *aged 58 years, is a SSC and having rich experience in Rice Milling, Solvent Industries.* The Company has received from Sri Gottipati Ramesh Babu (i) consent in writing to act as Independent Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014 (ii) intimation in Form DIR- 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the companies Act, 2013.

The Resolution seeks the approval of members for the appointment of Sri Gottipati Ramesh Babu as an Independent Director of the Company for a term of 5 consecutive years pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made hereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Sri Gottipati Ramesh Babu proposed to be appointed, as an Independent Director, fulfill the conditions specified in the Companies Act, 2013 and the Rules made hereunder and he is independent. A copy of the draft letter for the appointment of Sri Gottipati Ramesh Babu as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's Registered Office during normal business hours on working days up to the date of the Annual General Meeting.

None of the Directors, Key Managerial Personnel or their relatives, except Sri Gottipati Ramesh Babu for whom the Resolution relates, are interested or concerned in the Resolution.

The Board seeks approval of the members for the appointment of Sri Gottipati Ramesh Babu as an Independent Director of the Company for five consecutive years pursuant to section 149 and other applicable provisions of the Act, Rules made there under and that he shall not be liable to retire by rotation.

The terms as set out in the resolution and explanatory statement may be treated 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.

DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting the 23rd Annual Report of the Company together with the Audited Statements of Accounts for the Financial Year ended March 31, 2017.

Financial Results:

PARTICULARS	Current Year 2016-17	Previous Year 2015-16
	(Rs. Lakhs)	(Rs. Lakhs)
Total Income	6916.18	6545.11
Profit/(loss) before depreciation	107.89	205.79
Depreciation	38.81	38.06
Profit/(loss) before Tax	69.08	170.73
Provision for Taxation	2.53	2.41
Deferred Tax liability/(Asset)	8.98	10.83
Profit/(Loss) for the year	57.57	157.49
Balance B/F	874.13	716.64
Less : Adjusted towards depreciation	0.00	0.00
Profit/(Loss) Balance C/F	931.70	874.13

Operations:

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 Rs.32.66 lakhs as against profit of Rs. 24.33 lakhs during the previous year. It processed 24614.276 M.Ts of Rice Bran as against 25210.037 M.Ts of Rice Bran during the previous year.

Power Division:

This division earned an after tax Profit of Rs.79.82lakhs as against profit of Rs.210.28 lakhs during the previous year. It has generated 315.45 lakhs of units as against 327.80 lakhs of units during the previous year.

Steel Division:

This division earned an after tax Loss of Rs.(45.93).lakhs as against profit of Rs.(66.29) lakhs during the previous year. It produced 3122.500 Mt of Iron Ingots as against 1197.100M.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.

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, 2017.

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, 2017 are prepared in due compliance of the Schedule III of the Companies Act, 2013.

Cash Flow Statement:

A Cash Flow Statement for the year 2016-17 is annexed to the Statement of Accounts.

PARTICULARS OF DIRECTORS AND KEY MANEGERIAL 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 Vallabhaneni Balaji (DIN No. 00227309) who retires by rotation and being eligible and offers himself for reappointment

During the year, Smt Vallabhaneni Sangeetha (DIN : 07437197) appointed as woman director on to the Board with effect from 31.10.2016. Sri Bapuji Gottipati and Sri Gottipati Ramesh Babu appointed as Independent Directors on the Board with effect from 31.10.2016.

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, 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 Financial year, there was no situation of cessation occurred in the Board of Directors.

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 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 Listing Agreement with the Stock Exchanges.

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 Auditors of the Company M/s Suresh and Babu, Chartered Accountants, Vijayawada, retires at the conclusion of this Annual General Meeting of the company and Sri P. Janardhan, Chartered Accountant, (Membership No. 26498) is being proposed to be appointed for a period of 5 years from the conclusion of this Annual General Meeting till the Annual General Meeting to be held in the year 2022 subject to the ratification of the Members in every Annual General Meeting. The Company has received his willingness to accept the appointment if made, further he has confirmed his eligibility under the provisions of Section 141 of the Companies Act, 2013 to accept the appointment.

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 2017

Secretarial Audit Report:

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Company had appointed Sri Mahesh Grandhi.. Practicing Company Secretary to conduct the Secretarial Audit and give a Secretarial Audit Report for the Financial Year 2016-17 to be annexed to the Report of Board of Directors.

Secretarial Audit Report received from Sri Mahesh Grandhi.. Practicing Company Secretary in the prescribed Form MR-3 is annexed to this Report (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.

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 on 30.06.2014 and the following are the members of the Committee as of Date:

- | | |
|------------------------|----------|
| 1. Sri M. Bhanu Prasad | Chairman |
| 2. Sri K. Ravi Varma | Member |
| 3. Sri V. Suraj Kumar | Member |

During the year, the Committee was reconstituted with the following members effective from 31st October, 2016.

- | | |
|-----------------------------|----------|
| 1. Medabalimi Bhanu Prasad | Chairman |
| 2. Kandimalla Ravi Varma | Member |
| 3. Gortipati 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, 2016.

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 : 118 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:

Name of person	Remuneration (Rs.in Lakhs)	(Amount in Lakhs)	
		Total Revenue (Rs.in Lakhs)	Remuneration as a % of total revenue
V.VENKATRAMAIAH	10.04	6916.18	0.145
V.BALAJI	10.04	6916.18	0.145
V.SURAJ KUMAR	12.03	6916.18	0.174

g. The key parameters for any variable component of remuneration availed by the directors: NIL

i. 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.

h. 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:

- a) K. Ravi Varma, Independent Director, Chairman
- b) M. Bhanu Prasad, Independent Director, Member
- c) V. Suraj Kumar, Member

During the year, the Committee was reconstituted with the following members effective from 31st October, 2016.

- | | | |
|----|----------------------------|-------------------|
| 1. | Kandimalia Ravi Varma | Chairman |
| 2. | Medabalimi Bhanu Prasad | Member |
| 3. | Gottipati Bapuji | Member |
| 4. | Vallabhaneni Suraj Kumar | 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 31.03.2017

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 Company adopted a policy for prevention of Sexual Harassment of Woman at workplace and has set up Committee for implementation of said policy. During the year under review, there were no cases filed against anybody for sexual harassment.

Your Company has always believed in providing a safe and harassment free workplace for every individual working in its premises through various policies and practices. 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 2016-17, 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:

Particulars	For the year 2016-2017	For the year 2015-2016
I. Electricity		
i) Purchased (APTRANSCO) Units	--	--
Total Amount (Rs.)	--	--
Rate per Unit (Rs)	--	--
ii) Captive Generation Units	40,21,600	20,34,300
Total Amount (Rs.)	2,41,29,600	1,25,05,800
Rate per Unit (Rs)	6.00	6.00
iii) Own Generation Units	--	--
Total Amount (Rs.)	--	--
Rate per Unit (Rs)	--	--
II. Steam		
Total Amount (Rs.)	-	-
Consumption per M.T. of Production		
- Electricity (Units)	144.99	78.93
- 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(S) 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 2017, 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 2017 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, SBI Bank, Patamata Branch, Vijayawada and Share Transfer Agents, XL Softech Systems Limited, Hyderabad and also thank the Shareholders, Customers, Suppliers, State and Central Government agencies for the support they have 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: 14th August, 2017

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

[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, 2017 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, 2017 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.

(vi) Other laws applicable to the company as provided by the management as mentioned below:

- Employees State Insurance Act, 1948 and Employees' State Insurance (General) Regulations, 1950;
- Employees Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees' Provident Funds Scheme, 1952;
- Payment of Bonus Act, 1965 and the Payment of Bonus Rules, 1965;
- Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
- Contract Labour (Regulation and Abolition) Act, 1970 and the Contract Labour (Regulation and Abolition) Central Rules, 1971;
- Factories Act, 1948 and the rules made thereunder;
- A.P. Shops and Establishment Act, 1988;
- Water (Prevention and Control of Pollution) Act, 1974
- Air (Prevention and Control of Pollution) Act, 1981
- Environment Protection Act, 1986
- Public Liability Insurance Act, 1991
- Indian Boilers Act, 1923
- Explosives Act, 1884

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.

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, the Company has 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 and Full time Company Secretary in view of the provisions of Companies Act, 2013.
4. The Regional Stock Exchanges in which the Company's shares were listed has become inoperative and the company has duly confirmed its intention and intimated the plan of action to list its shares with Bombay Stock Exchange Limited.

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

Place: Hyderabad

Dated: 14-08-2017

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

Annexure -A

To,

The Members,

M/s. Balaji Agro Oils Limited

Corporate Identity Number (CIN) : L15143AP1994PLC017454

Authorised Capital : Rs.14.00 Crores

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. 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

Place: Hyderabad

Dated: 14-08-2017

Annexure – II

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2015

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	70.06%
2	Power Generation	98010013	20.29%
3	Manufacturing of Iron Ingots	72279090	9.65%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

I. 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 2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	2106700	4065973	6172673	55.11	6151073	0	6151073	54.92	
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):-	2106700	4065973	6172673	55.11	6151073	0	6151073	54.92	
(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	2106700	4065973	6172673	55.11	6151073	0	6151073	54.92	

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) FIIs									
h) Foreign Venture									
i) Others (specify)									
Sub-total (B)(1):-	0	0	0	0	0	0	0	0.00	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1106300	1270000	2376300	21.22	1106300	1270000	2376300	21.22	
ii) Overseas									
b) Individuals									

i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	94200	799600	893800	7.98	94200	821200	915400	8.17	NH
ii) Individual shareholders holding nominal share capital in excess of rs.1 lakh	361300	1325327	1686627	15.06	361300	1325327	1686627	15.06	NH
c) Others:NRRI & Clearing									
Sub-total (B)(2):-									
Total Public Shareholding	1561800	3394927	4956727	44.26	1561800	3416527	4978327	44.45	
C. Shares held by Custodian for GDRs & ADRs	4500	66600	71100	0.63	4500	66600	71100	0.63	
Grand Total	3673080	7527500	11288500	100.00	7717373	3483127	11290500	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	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Vallabhaneni Venkatramaiah	2656131	23.71	NH	2656131	23.71	NH	NH
2	Vallabhaneni Balaji	1115400	9.96	NH	1115400	9.96	NH	NH
3	Vallabhaneni Hemalatha	320400	2.86	NH	320400	2.86	NH	NH
4	Vallabhaneni Surajkumar	1074142	9.59	NH	1074142	9.59	NH	NH
5	Vallabhaneni Sangeetha	984900	8.79	NH	984900	8.79	NH	NH
6	V.Soba Rani	5000	0.05	NH	0	0	NH	-100
7	Ch.Suresh	1100	0.01	NH	0	0	NH	-100
8	Ravipati Koteswara Rao	2700	0.02	NH	0	0	NH	-100
9	Ravipati Indusree	2700	0.02	NH	0	0	NH	-100
10	Vallabhaneni Ramachandra Rao	1000	0.01	NH	0	0	NH	-100
11	Jasti Yasodhara Lakshmi	1000	0.01	NH	0	0	NH	-100
12	CH.Satyavari	1000	0.01	NH	0	0	NH	-100
13	K.Janardhana Rao	500	0.00	NH	0	0	NH	-100
14	T.Ammaji	500	0.00	NH	0	0	NH	-100
15	V.Ratna Manikyanama	6000	0.05	NH	0	0	NH	-100
16	Vallabhaneni Venkatasubba ma	100	0.00	NH	100	0.00	NH	NH
17	V.Venkateswara Rao	100	0.00	NH	0	0	NH	NH
	TOTAL	6172673	55.11		6151073	54.92		

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

There is no change in the Promoters' shareholding during the Financial Year 2016-17.

D. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): There is no 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	% of total shares of the company
	At the beginning of the year			
1	Sreechitha Refineries Ltd	1650000	14.73	1650000 14.73
2	Rajyalakshmi Poultry Products Limited	490000	4.37	490000 4.37
3	Dandamudi Avanindra Kumar	450000	4.02	450000 4.02
4	R. Prasada Rao	207600	1.85	207600 1.85
5	Netware Infotech Limited	200000	1.79	200000 1.79
6	Dintakurthi Kesava Rao	120000	1.07	120000 1.07
7	P. Srihari	68127	0.61	68127 0.61
8	Daljeet Kaur Arora	67100	0.60	67100 0.60
9	Ruchi Khanna	63100	0.56	63100 0.56
10	Dilawar Singh Arora	45300	0.40	45300 0.40
	Total	3361227	30.00	3361227 30.00

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	% of total shares of the company
	At the End of the year (or on the date of separation, if separated during the year)			
1	Sreechitha Refineries Ltd	1650000	14.73	1650000 14.73
2	Rajyalakshmi Poultry Products Limited	490000	4.37	490000 4.37
3	Dandamudi Avanindra Kumar	450000	4.02	450000 4.02
4	R. Prasada Rao	207600	1.85	207600 1.85
5	Netware Infotech Limited	200000	1.79	200000 1.79
6	Dintakurthi Kesava Rao	120000	1.07	120000 1.07
7	P. Srihari	68127	0.61	68127 0.61
8	Daljeet Kaur Arora	67100	0.60	67100 0.60
9	Ruchi Khanna	63100	0.56	63100 0.56
10	Dilawar Singh Arora	45300	0.40	45300 0.40

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	4845673	43.26	4845673	43.26
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	5830573	52.05	5830573	52.05

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	2656131	23.71	2656131	23.71
2	V.BALAJI-JOINT MANAGING DIRECTOR	1115400	9.96	1115400	9.96
3	V.SURAJ KUMAR-JOINT MANAGING DIRECTOR	1074142	9.59	1074142	9.59
4	M.BHANU PRASAD-DIRECTOR	0	0	0	0
5	K.RAVI VARMA-DIRECTOR	0	0	0	0
	Total	4845673	43.26	4845673	43.26
	Increase / Decrease in Share holding				
1	V.VENKATRAMAIAH-DIRECTOR	0	0	0	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 WOMEN DIRECTOR	984900	8.79	984900	8.79
7	GBAPUJI DIRECTOR	0	0	0	0
8	GRAMESH BABU DIRECTOR	0	0	0	0
	TOTAL	984900	8.79	984900	8.79

7. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but due for payment.
Rs.in Crores

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	10.35	0.00	Nil	10.35
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	10.35	0.00	Nil	10.35
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	9.83	0.00	Nil	9.83
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	9.83	0.00	Nil	9.83

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.Venkataramiah	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	103787	103788	303288	510863
	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)	1003787	1003788	1203288	3210863
	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					
	• Others, please specify					
	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/WTD:

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 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	Others, 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 2017

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 20% 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)

Particulars	Solvent	Power	Steel	Inter-segment	Total
Sales/Income	4845.62	1644.74	667.11	(241.29)	6916.18
Profit	35.19	79.82	(45.93)	--	69.08
Assets	1872.78	1469.35	428.12	(551.10)	3219.15
Liabilities	1274.03	117.68	379.57	(551.10)	1220.18
Capital Employed	598.75	1351.67	48.55	--	1998.97

(Rs. In lakhs)

Particulars	2016-2017	2015-2016
Net Sales	6916.18	6545.11
Other Income	5.95	32.37
Total Income	6922.13	6577.49
PBDIT	189.92	279.95
Finance Charges	82.03	71.16
Depreciation	38.81	38.06
Profit Before Tax	69.08	170.73
Provision for Tax	2.53	2.41
Deferred Tax Liability/(Asset)	8.98	10.83
Profit After Tax	57.57	157.49
EPS – Basic and Diluted	0.53	1.45

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.6916.18 lakhs.

Other Income

Other income mainly comprises of insurance claims & dividend received, and interest received against Deposits.

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.82.03 as against Rs.71.16 lakhs for the year 2015-2016.

Profit Before Depreciation, Interest And Taxes (PBDIT)

PBDIT was Rs.189.92 lakhs as against Rs.279.95 lakhs for the year ending 31st March 2016. The decrease in PBDIT was profit decrease in power division due to decrease of power units rate and also profit increase in solvent division due selling price increase

Profit After Tax (PAT)

Profit after tax was Rs.57.57 lakhs for the year 2016-2017 as against Rs.157.49 lakhs for the year 2015-2016.

Earnings Per Share (EPS)

EPS has been decreased from Rs.1.45 to Rs.0.53 for the year under review.

Fixed Assets

Addition to the Fixed Assets of the Solvent Extraction Unit amounted to Rs16.36 lakhs & Steel Plant Rs.6.65 lakhs and power plant Rs.0.66 lakhs.

Inventories

Major items of inventories as on 31st March 2017 are as

Particulars	31/03/2017(Rs.in lakhs)	31/03/2016(Rs.in lakhs)
Raw Materials	371.01	415.35
Finished Goods	784.10	781.90

Receivables

Receivables as on 31/03/2017 amounted to Rs1275.24 lakhs as against Rs.1293.68 lakhs as on 31/03/2016.

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 2017

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 %

The composition of the Board of Directors of the Company is in conformity with the code of Corporate Governance under the SEBI (LODR) Regulations, 2015 with the Stock Exchanges. Details of the directors/ memberships in Committees of other companies (excluding Balaji Agro Oils Limited) are as under:

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	--	--	--	--
02	V.Balaji	Promoter	--	1	--	--
03	V.Suraj Kumar	Promoter	--	1	--	3
04	V. Sangeetha	Woman Director	--	1	--	--
05	K.Ravi Varma	Independent	--	--	1	3
06	M.Bhanu Prasad	Independent	--	--	5	1
07	G.Bapuji	Independent	--	1	--	4
08	G. Ramesh Babu	Independent	--	1	--	4

Number of Board Meetings held in Financial Year 2016-2017 with dates and attendance of Directors

Eight Board Meetings were held during the Financial Year 2016-2017 on 30th May, 2016, 1st July, 2016, 30th July, 2016, 30th August, 2016, 31st October, 2016, 12th December, 2016, 28th December 2016 and 31st January, 2017.

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	8	YES
04	K.Ravi Varma	8	YES
05	M.Bhanu Prasad	8	YES
06	V. Sangeetha	3	YES
07	G. Bapuji	3	NA
08	G. Ramesh Babu	3	NA

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:

- a) K. Ravi Varma, Independent Director, Chairman
- b) M. Bhanu Prasad, Independent Director, Member
- c) V. Suraj Kumar, Member

During the year, the Committee was reconstituted with the following members effective from 31st October, 2016.

- 1. Kandimalla Ravi Varma Chairman
- 2. Medabalimi Bhanu Prasad Member
- 3. Gottipati Bapuji Member
- 4. Vallabhaneni Suraj Kumar Member
- 5. Gottipati Ramesh Babu Member
- 6. 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.

Sl.No.	Date	Committee Strength	No. of Members Present
01	30/07/2016	3	3
02	30/08/2016	3	3
03	31/10/2016	3	3
04	31/01/2017	5	5

Terms of Reference

- (a) 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.
- (b) Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- (c) Reviewing with management the annual financial statements before submission to the board, focusing primarily on any changes in accounting policies and practices.
- (d) Major accounting entries based on exercise of judgment by management.
- (e) Significant adjustments arising out of audit.
- (f) The going concern assumption.
- (g) Compliance with accounting standards.
- (h) 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.
- (i) To review the un-audited financial statements before submission to the Board.
- (j) To have full access to information contained in the records of the Company.
- (k) The recommendations of the Audit committee on any matter relating to financial management including the audit report shall be binding on the Board.
- (l) To make recommendations to the Board on any matter relating to the financial management of the Company, including the Audit report.
- (m) Reviewing with the management, external and the adequacy of internal control systems.

- (n) 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.
- (o) Reviewing the company's financial and risk management policies.
- (p) 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* comprises of and Sri M. Bhanu Prasad Chairs the Committee and its members are K. Ravi Varma and Sri V. Suraj Kumar

During the year, the Committee was reconstituted with the following members effective from 31st October, 2016.

Medabalimi Bhanu Prasad	Chairman
Kandimalia Ravi Varma	Member
Gottipati Bapuji	Member
Gottipati Ramesh Babui	Member
Vallabhaneni Suraj Kumar	Member

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

Attendance

Details of the meetings held during the year.

Sl.No.	Date	Committee Strength	No. of Members Present
01	30/05/2016	3	3
02	31/01/2017	5	5

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 comprises of Sri M.Bhanu Prasad Chairs the Committee and its members are K. Ravi Varma and Sri V. Suraj Kumar.

During the year, the Committee was reconstituted with the following members effective from 31st October, 2016

Medabalimi Bhanu Prasad	Chairman
Kandimalia 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	30/08/2016	3	3
02	31/01/2017	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	103787	10,03,787
V.Balaji	9,00,000	103788	10,03,788
V.Suraj Kumar	9,00,000	303288	12,03,288
K.Ravi Varma	--	--	--
M.Bhanu Prasad	--	--	--
V. Sangeetha	--	--	--
G. Bapuji	--	--	--
G. Ramesh Babu	--	--	--
TOTAL	27,00,000	5,10,863	32,10,863

Disclosures

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

Whistle Blower Mechanism

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

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

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

Disclosure on Accounting Treatment

In the preparation of financial statements for the financial year 2016-17 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
2013-2014	Registered Office of the Company	29-09-2014	11:00AM
2014-2015	Registered Office of the Company	29-09-2015	11:00AM
2015-2016	Registered Office of the Company	30-09-2016	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. The company does not have any website.

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. The company does not have any website.

Management Discussion and Analysis forms part of this Annual Report.

General Shareholder Information

A. Annual General Meeting

Date and Time : 29th September 2017 at 11.00 A.M.

Venue : D.No.74-2-19, Old Check Post Center,
Krishna Nagar , Vijayawada.

B. Financial Year 2017-2018

First Quarter Results : July/ August 2017

Second Quarter Results : October/ November 2017

Third Quarter Results : January / February 2018

Annual Results : June 2018.

C. Dates of Book Closure : 23rd September to 29th September 2017 (both days inclusive).

D. Dividend Payment Date : N.A.

E. Listing on Stock Exchanges : The company's shares are listed at Hyderabad, Chennai, Ahmedabad and Delhi Exchanges.

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 exchanges 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 applications for transfer of shares received by the company in physical form are processed and registered within 30 days of receipt of the documents valid in all respects. After such processing, the option of simultaneous dematerialization of the shares is provided to the shareholders. Shares under objection are returned within a fortnight's time. The Investor Services Committee meet generally once in a month to consider the transfer applications and other proposals to transmission, etc.

K. Share Holding Pattern

Range	No. of Shareholders	% of Total Shareholders	No. of shares held	% of shareholding
1-5000	204	26.29	78,800	0.70
5,001-10,000	347	44.72	3,33,200	2.97
10,001-20,000	70	9.02	1,10,400	0.99
20,001-30,000	33	4.25	85,600	0.76
30,001-40,000	31	3.99	1,09,300	0.98
40,001-50,000	16	2.06	77,000	0.69
50,001-1,00,000	28	3.61	1,94,400	1.74
1,00,001- and above	47	6.06	1,02,11,800	91.17
TOTAL	776	100.00	1,12,00,500	100.00

L. 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.

M. Plant Location

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

N. 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.

CERTIFICATE

To the Members of

BALAJI AGRO OILS LIMITED

VIJAYAWADA.

We have examined the compliance of conditions of Corporate Governance by Balaji Agro Oils Limited, for the year ended on 31 March, 2017, as stipulated in Code of Corporate Governance enunciated in provisions of SEBI (LODR) Regulations, 2015. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Code of Corporate Governance enunciated in provisions of SEBI (LODR) Regulations, 2015. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for SURESH AND BASU

Chartered Accountants

FRN: 004234S

(S.Muralikrishna Rao)

Partner

ICAI M.No: 208435

Place: Vijayawada

Date : 14th August, 2017

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	Sreehitha 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	30-06-2015
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 AUDITORS' REPORT ON FINANCIAL STATEMENTS

To

The members of

M/s. Balaji Agro Oils Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Balaji Agro Oils Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility 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, as applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 these financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order under Section 143(11) of the Act.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act 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 March 31, 2017, and its profit/loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law relating to preparation of financial statements have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of these financial statements.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, as applicable.
- (e) On the basis of the written representations received from the Directors as on March 31, 2017, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2017 from being appointed as a Director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Independent Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
- ii) The Company has made provision in its financial statements, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts including derivative contracts;
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv) The company has provided requisite disclosures in the financial statements with regard to its holding and dealings in Specified Bank Notes as defined in the Notification S.O.3407 (E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management;

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, we give in 'Annexure B' a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Suresh And Babu
Chartered Accountants
FRN: 004254S

Place: Vijayawada

Date: 30th May, 2017

(S.Muralikrishna Rao)
Partner
ICAI M.No: 208435

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our 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')

We have audited the internal financial controls over financial reporting of Balaji Agro Oils Limited ('the Company') as of March 31, 2017 in conjunction with our 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

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our 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 we 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.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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.

For Suresh And Babu
Chartered Accountants
FRN: 004254S

Place: Vijayawada

Date: 30th May, 2017

(S.Muralikrishna Rao)
Partner
ICAI M.No: 208435

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our 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 our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the conveyance deed provided to us, we 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 our 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, 2017 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

6. We 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. We 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 us, in respect of statutory dues:

- (a) The Company has generally been regular in depositing undisputed statutory dues, including Income Tax, Sales 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, 2017 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 31.03.2017, except value added tax and central sales tax the details of which are as given below:

Name of the Statute	Nature of Dues	Amount (Rs)	Period to which the amount relates	Forum where dispute pending
CST	Non consideration of E Form & C Form	3,97,957	2003-2004	Appellate Tribunal
VAT	DOB Stock transfer to Fish division-input restrict	5,86,940	2005-2005	Appellate Tribunal
CST	Non consideration of 'E' 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 our opinion and according to the information and explanations given to us, 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. No funds are raised by the company during the period covered by our audit. Hence the reporting under this clause is not applicable.

10. To the best of our knowledge and according to the information and explanations given to us, 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 our 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 our 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 our opinion and according to the information and explanations given to us, 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.

For Suresh And Babu
Chartered Accountants
FRN: 004254S

Place: Vijayawada
Date: 30th May, 2017

(S.Muralikrishna Rao)
Partner
ICAI M.No: 208435

BALAJI AGRO OILS LIMITED
VIJAYAWADA

Balance Sheet as at 31 March 2017

	Notes	31 March 2017	31 March 2016
		₹	₹
Equity and liabilities			
Shareholders' funds			
Share capital	2	108,857,475	108,857,475
Reserves and surplus	3	93,170,600	87,413,326
Share application money pending allotment		-	-
Non-current liabilities			
Long-term borrowings	4	14,582,485	18,722,840
Long-term provisions		-	-
Current liabilities			
Short-term borrowings	5	97,075,054	103,529,536
Trade Payables	6	-	82,324
Other current liabilities	7	10,107,599	11,217,695
Short-term provisions	8	1,316,257	3,480,918
Total		325,109,470	333,304,114
Assets			
Non-current assets			
Tangible fixed assets	9	34,795,645	36,424,094
Non-current investments	10	535,500	535,500
Long-term loans and advances	11	424,430	424,430
Deferred tax assets (net)	12	2,131,375	3,029,184
Other non-current assets		-	-
Current assets			
Current Investments		-	-
Inventories	13	131,545,415	134,079,782
Trade Receivables	14	127,524,484	129,368,063
Cash and cash equivalents	15	5,976,356	8,182,690
Short-term Loans & Advances	16	6,808,405	7,216,912
Other Current Assets	17	15,357,860	14,043,459
Total		325,109,470	333,304,114

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

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AS PER OUR REPORT OF EVEN DATE
FOR SURESH AND BABU
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

(V.VENKATRAMAIAH)
Chairman

(S.MURALIKRISHNA RAO)
Partner

PLACE : VIJAYAWADA

Date : 30th May 2017

(V.BALAJI)
Jt. Managing Director

(V.SURAJ KUMAR)
Jt. Managing Director

BALAJI AGRO OILS LIMITED
VIJAYAWADA

Statement of Profit and Loss for the year ended 31 March 2017

Particulars	Notes	31 March 2017	31 March 2016
		₹	₹
I. Revenue from operations	18	691,617,587	654,511,527
II. Other income	19	595,048	3,237,128
III. Total revenue (I + II)		692,212,635	657,748,655
IV. Expenses			
Cost of materials consumed	20	599,095,547	574,613,167
Purchases of Stock-in-Trade	21	-	1,294,342
Changes in inventories of finished goods, WIP and Stock-in-trade	22	(219,627)	(14,895,911)
Employee benefits expense	23	20,991,345	20,689,031
Finance costs	24	8,202,964	7,116,174
Depreciation and amortization expense	9	3,880,667	3,806,110
Other expenses	25	53,354,067	48,053,089
Total expenses		685,364,963	640,676,002
V. Profit before exceptional and extraordinary items and tax (III-IV)		6,907,672	17,072,653
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V-VI)		6,907,672	17,072,653
VIII Extraordinary items		-	-
XI Profit before tax		6,907,672	17,072,653
X Tax expense			
-Current tax		1,316,257	3,486,918
-Deferred tax liability/(Asset)		897,809	1,082,532
-MAT Credit Entitlement		(1,063,668)	(3,240,662)
Net Profit for the Year		5,757,274	15,749,265
XI Earnings per equity share (EPES)			
Weighted Average Number of Equity Shares		10,885,542	10,885,542
Basic EPS		0.53	1.45
Diluted EPS		0.53	1.45
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 SURESH AND BABU
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

(V.VENKATRAMAIAH)
Chairman

(S.MURALIKRISHNA RAO)
Partner

PLACE : VIJAYAWADA

Date: 30th May 2017

(V.BALAJI)
Jt. Managing Director

(V.SURAJ KUMAR)
Jt. Managing Director

BALAJI AGRO OILS LIMITED
VIJAYAWADA

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31TH MARCH, 2017

	Year ended 31st March, 2017	Year ended 31st March, 2016
	Rs.	Rs.
A) Cash flow arising from Operating Activities		
Net Profit before tax as per Profit and Loss Account	6,907,672	17,072,663
Add/(Less):		
Profit on sale of assets	-	(2,283,379)
Interest Income	(32,314)	(34,540)
Loss on sale of Investment in Joint Venture	-	-
Provision for doubtful debts	-	-
Depreciation	3,890,667	3,806,110
Interest and finance Charges (Net)	8,202,964	7,116,174
	12,051,317	8,598,365
Operating Cash Profit Before Working Capital changes	18,958,989	15,671,018
Changes in working capital		
(Increase)/Decrease in Inventories	2,534,367	(24,660,375)
(Increase)/Decrease in Trade Receivables	1,643,579	(4,101,722)
(Increase)/Decrease in Other current assets	(732,203)	(78,787)
(Increase)/Decrease in Loans and Advances	498,507	4,273,885
(Increase)/Decrease in Trade and other payables	(1,192,426)	(3,667,934)
	2,861,830	(28,234,035)
Less: Direct Taxes paid (Net of Refund)	(3,809,448)	(2,096,712)
Net Cash inflow in the course of operating activities (A)	18,811,371	(4,659,727)
B. Cash flow arising from Investing Activities		
Inflow		
Purchase of fixed assets	-	-
Sale of Fixed Assets	115,006	3,834,229
Interest Income	32,314	34,540
	147,314	3,868,769
Outflow		
Investment in Joint venture	-	-
Sale of Investment in Joint Venture	-	-
Purchase of fixed assets	(2,367,218)	(3,250,154)
	(2,367,218)	(3,250,154)
Net Cash outflow in the course of investing activities (B)	(2,219,904)	618,615
C. Cash flow from Financing Activities		
Inflow		
Long Term Borrowings	(4,146,355)	(7,440,347)
Increase in Working Capital Loan from a Bank	(6,434,482)	9,941,740
	(16,594,837)	2,501,393
Outflow		
Repayment of Term Loan	-	-
Interest paid	(8,202,964)	(7,116,174)
	(8,202,964)	(7,116,174)
Net cash outflow in the course of Financing activities (C)	(18,797,801)	(4,614,781)
Net Increase/(Decrease) in Cash/Cash equivalents (A+B+C)	(2,206,334)	(8,655,893)
Add: Balance at the beginning of the year	8,182,699	16,838,583
Cash/Cash equivalent at the close of the year	5,976,365	8,182,699

AS PER OUR REPORT OF EVEN DATE
FOR SURESH AND BABU
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

(V.VENKATRAMAIAH)
Chairman

(SMURALIKRISHNA RAO)
Partner
PLACE : VIJAYAWADA
Date: 30th May 2017

(V.BALAJI)
Jt. Managing Director

(V.SURAJ KUMAR)
Jt. Managing Director

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:

- Revenue is recognized on completion of sale of goods. Sale value of goods has been taken net off excise duty.
- 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 CENVAT and Value Added Tax credit 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 of 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 generally regular in depositing the duce 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 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

2 Share capital

	31 March 2017		31 March 2016	
	Number	Amount	Number	Amount
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	11,200,500	112,005,000	11,200,500	112,005,000
LESS: Allotment money		3,147,535		3,147,535
	11,200,500	108,857,475	11,200,500	108,857,475

Rights, preferences and restrictions attached to :

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

(a) Reconciliation of share capital

	31 March 2017		31 March 2016	
	Number	Amount	Number	Amount
Balance at the beginning of the year	11,200,500	112,005,000	11,200,500	112,005,000
Add: Allotted during the year	-	-	-	-
Balance at the end of the year	11,200,500	112,005,000	11,200,500	112,005,000

(b) Shareholders holding more than 5% of paid up share capital

Name of the shareholder	31 March 2017		31 March 2016	
	Number	% holding	Number	% holding
Equity shares of Rs.10/- each				
Vilobhaneni Venkatramaiah	2,656,131	23.71%	2,656,131	23.71%
Vallabhaneni Balaji	1,115,400	9.96%	1,115,400	9.96%
Vallabhaneni Hemalatha	320,400	2.86%	320,400	2.86%
Vallabhaneni Suraj Kumar	1,074,142	9.59%	1,074,142	9.59%
Vallabhaneni Sangeetha	384,900	3.39%	384,900	3.39%
Sreechitra Refineries Limited	1,650,900	14.73%	1,650,900	14.73%

3 Reserves and surplus

Surplus in the statement of profit or loss			
Opening Balance		87,413,326	71,664,061
Less: Adjustment towards depreciation		-	-
		87,413,326	71,664,061
Add: Profit for the Year		5,757,174	15,749,268
Less: Appropriations		-	-
Closing Balance		93,170,500	87,413,326
TOTAL		93,170,500	87,413,326

BALAJI AGRO OILS LIMITED
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Notes to the financial statements

	31st March 2017	31st March 2016
4 Long-term Borrowings Unsecured: Sales Tax Differment	14,582,485	18,722,840
	<u>14,582,485</u>	<u>18,722,840</u>
5 Short-term Borrowings Secured Loans repayable on Demand from Bank*	97,075,054	103,529,536
	<u>97,075,054</u>	<u>103,529,536</u>
* Secured by hypothecation of Stocks of Rawmaterials, Finished Goods and Book Debts outstanding for a period not exceeding 180 days.		
6 Trade Payables Due to Micro, Small & Medium Enterprises: Due to Others: Trade Creditors Other Creditors		82,324
		<u>82,324</u>
Based on information available with the Company, as at 31st March 2017, 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 Other Current Liabilities		
Current Maturities of Long-Term Debt - HDFC Bank Ltd - Sales Tax Differment	1,256,745 4,140,355	7,431,465
Statutory Liabilities - TDS Payable - VAT Payable	356,553	358,762 698,377
Others - Employee related payables - Audit Fee - Others	3,218,996 134,550 1,001,000	2,533,451 133,965 69,665
	<u>10,107,599</u>	<u>11,217,695</u>
8 Short-term Provisions Provision for Income Tax	1,316,257	3,480,918
	<u>1,316,257</u>	<u>3,480,918</u>

Notes: 9 Tangible Assets

Sl. No.	NAME OF THE ASSET	GROSS BLOCK		DEPRECIATION BLOCK		NET BLOCK	
		As on 1st April 2016	Additions during the year	Deletions during the year	As on 31st March 2017	As on 1st April 2016	As on 31st March 2016
1	LAND	2,903,281.00	-	-	2,903,281.00	2,903,281.00	2,903,281.00
2	FACTORY BUILDING	4,072,653.00	-	-	4,072,653.00	4,072,653.00	4,072,653.00
3	OFFICE BUILDING	1,021,137.00	-	-	1,021,137.00	1,021,137.00	1,021,137.00
4	PLANT & MACHINERY	243,552,815.00	-	-	243,552,815.00	243,552,815.00	243,552,815.00
5	PLANT & MACHINERY	68,005.00	-	-	68,005.00	68,005.00	68,005.00
6	PLANT & MACHINERY	3,203,123.00	-	-	3,203,123.00	3,203,123.00	3,203,123.00
7	LAB EQUIPMENT	295,022.00	-	-	295,022.00	295,022.00	295,022.00
8	ELECTRICAL FITTINGS	5,765,020.00	-	-	5,765,020.00	5,765,020.00	5,765,020.00
9	ELECTRICAL FITTINGS	8,500.00	-	-	8,500.00	8,500.00	8,500.00
10	FURNITURE & FIXTURES	415,654.00	-	-	415,654.00	415,654.00	415,654.00
11	VEHICLES	17,089,636.00	-	-	17,089,636.00	17,089,636.00	17,089,636.00
12	COMPUTER	856,061.00	-	-	856,061.00	856,061.00	856,061.00
13	COMPUTER	29,900.00	-	-	29,900.00	29,900.00	29,900.00
14	OFFICE EQUIPMENTS	1,430,745.00	-	-	1,430,745.00	1,430,745.00	1,430,745.00
15	OFFICE EQUIPMENTS	11,950.00	-	-	11,950.00	11,950.00	11,950.00
16	OFFICE EQUIPMENTS	10,531.00	-	-	10,531.00	10,531.00	10,531.00
17	PUMP SET	70,276.00	-	-	70,276.00	70,276.00	70,276.00
	TOTAL	321,590,522.00	2,386,468.00	1,147,500.00	323,829,490.00	321,590,522.00	321,590,522.00
	Previous Year	319,895,118.00	3,384,470.00	1,583,166.00	321,696,422.00	319,895,118.00	319,895,118.00

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Notes to the financial statements

	31st March 2017	31st March 2016
10 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>
11 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>Others</u>		
Security deposits	424,430	424,430
	<u>424,430</u>	<u>424,430</u>
12 Deferred Taxes		
Opening Balance	3,029,184	4,111,716
Add/(Less): Adjustments during the year	(897,899)	(1,082,532)
	<u>2,131,285</u>	<u>3,029,184</u>
13 Inventories		
Rawmaterials	37,101,437	41,535,760
Finished Goods	78,410,302	78,190,578
Stores & Spares	16,033,776	14,353,447
	<u>131,545,515</u>	<u>134,079,785</u>
14 Trade Receivables		
Unsecured and Considered Good		
Outstanding for a period exceeding Six Months	9,244,748	24,037,719
Others	118,779,736	104,730,744
	<u>128,024,484</u>	<u>128,768,463</u>

BALAJI AGRO OILS LIMITED
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Notes to the financial statements

15	Cash & Cash Equivalents	31st March 2017	31st March 2016	
	Balance with Banks			
	- In Current Accounts	1,746,646	839,846	
	- In Deposit Account	250,863	248,773	
	Cash on Hand	2,978,847	7,094,071	
		<u>5,976,356</u>	<u>8,182,690</u>	
Specified Bank Notes Disclosure (SBNs)				
In accordance with the MCA Notification G.S.R.308(E) dated March 30, 2017 details of Specified Bank Notes (SBN) and Other Denomination Notes (ODN) held and transacted during the period from November 8, 2016 to December 30, 2016 is given below:				
	<u>Particulars</u>	<u>SBNs</u>	<u>ODNs</u>	<u>Total</u>
	Closing Cash on hand as on November 8, 2016	4,000,000	1,131,650	7,131,650
	Add: Not permitted receipts	-	-	-
	Add: Permitted Receipts	-	2,945,087	2,945,087
	Less: Permitted Payments	-	4,022,547	4,022,547
	Less: Amounts Deposited in Banks	4,000,000	-	4,000,000
	Closing Cash on hand as on December 30, 2016	-	2,119,896	2,119,896
16	Short-term Loans & Advances			
	Loans & Advances to Related Parties		-	-
	Others			
	Unsecured and Considered Good			
	Staff Advances		799,332	445,532
	Advances for Supplies		6,317,573	6,771,080
			<u>6,808,405</u>	<u>7,216,612</u>
17	Other Current Assets			
	Prepaid Insurance & Interest & expenses		2,270,426	1,859,423
	Advance Tax		1,900,000	2,000,000
	TDS		15,156	356,628
	CENVAT		653,149	331,949
	MAT Credit Entitlement		10,559,127	9,465,459
			<u>15,567,960</u>	<u>14,043,459</u>
18	Revenue From Operations			
	<u>Sale of Products</u>			
	Rice Bran Oil		206,058,985	196,908,273
	Deoiled Bran		279,389,915	222,439,617
	Power		139,763,290	197,509,214
	Gummi & Ash		654,312	709,463
	Iron Ingots		75,049,972	39,266,956
	Less: Excise Duty		(8,338,887)	(4,362,996)
			<u>691,617,587</u>	<u>654,511,527</u>

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Notes to the financial statements

	31st March 2017	31st March 2016
19 Other Income		
Interest on short-term FDRs	32,314	32,040
Interest on short-term trade creditors	-	2,500
Insurance Claim from Machinery break down policy	482,734	788,209
Others	30,000	-
Dividend	50,000	125,000
Profit on compulsory acquisition of Land	-	1,312,215
Profit on compulsory acquisition of Building	-	977,164
	<u>595,048</u>	<u>3,237,128</u>
20 Cost of Material Consumed		
<u>Solvent Extraction Unit</u>		
A. Opening Stocks		
Raw materials	11,094,347	5,682,977
Bran	11,094,347	5,682,977
B. Purchases		
Raw materials	415,707,407	391,803,020
Bran	154,762	1,177,522
Inward Freight	1,211,981	1,184,105
Commission	417,074,120	394,164,647
C. Closing stocks		
Raw material	13,376,310	11,094,347
TOTAL = A+B-C	<u>414,792,157</u>	<u>388,753,277</u>
<u>Power Generation Unit</u>		
A. Opening Stocks		
Raw materials	15,860,748	13,895,852
Husk	7,947,645	9,367,174
Coal	2,971,939	434,600
Corn Hay	51,270	51,270
Coconut Hay	176,444	176,444
Palm Hay	47,290	-
Black Gram	172,904	-
Bagasse	27,228,240	23,925,340
B. Purchases		
Raw Materials	99,487,881	110,717,298
Husk	11,349,322	31,677,078
Coal	5,745,224	6,701,625
Corn Hay	247,047	-
Chilli Hay	580,230	-
Coconut Hay	258,140	172,905
Palm Hay	77,478	47,290
Jamori West	117,545,522	149,316,196
Inward Freight	7,590,752	16,718,584
	<u>125,136,054</u>	<u>166,055,080</u>
C. Closing Stock of Raw Material		
Husk	9,646,581	15,860,748
Coal	8,654,560	7,947,645
Black Gram Hay	-	47,290
Bagasse	-	172,904
Corn Hay	495,196	2,971,939
Palm Hay	53,700	176,444
Coconut Hay	23,506	51,270
	<u>18,913,597</u>	<u>27,228,240</u>
TOTAL(A+B-C)	<u>133,450,757</u>	<u>162,732,187</u>

BALAJI AGRO OILS LIMITED
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Notes to the financial statements

	31st March 2017	31st March 2016
<u>Steel Ingots Unit</u>		
A. Opening Stocks		
Raw materials	620,272	1,505,180
Scrap Iron	2,592,901	678,139
Sponge Iron	3,213,173	2,183,319
B. Purchases		
Raw Materials	9,878,553	9,324,478
Scrap Iron	36,214,513	17,825,853
Sponge Iron	224,437	-
Pet Coke	4,486,679	-
Pig Iron	56,804,182	23,150,331
Inward Freight	1,644,868	1,007,233
	<u>52,451,050</u>	<u>24,157,564</u>
C. Closing Stock of Raw Material		
Scrap Iron	762,874	620,472
Pig Iron	1,920,655	-
Sponge Iron	2,127,061	2,592,501
	<u>4,811,590</u>	<u>3,213,175</u>
TOTAL(A+B-C)	<u>58,652,633</u>	<u>23,127,710</u>
<u>Solvent Extraction Unit</u>		
Solvent Extraction Unit	414,792,157	388,753,277
Power Generation Unit	133,450,757	162,732,180
Steel Ingots Unit	58,652,633	23,127,710
	<u>599,095,547</u>	<u>574,613,167</u>
21 Purchases of Stock-in-Trade		
DOB Purchases	-	1,294,342
GRAND TOTAL = A+B	-	<u>1,294,342</u>
22 Changes in Inventories of Finished Goods, WIP & Stock-in-		
Opening Stock of Finished Goods	78,190,575	63,194,654
Less: Closing Stock Of Finished Goods	78,410,202	78,190,575
	<u>(219,627)</u>	<u>(14,895,911)</u>
23 Employee Benefits Expense		
Salaries, Wages, Bonus & Gratuity	16,066,829	15,308,653
Remuneration to Directors	3,210,863	3,368,319
Staff welfare expenses	49,653	452,942
Contribution to EPF&ESI	1,664,000	1,259,515
	<u>23,991,345</u>	<u>20,389,431</u>

BALAJI AGRO OILS LIMITED
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Notes to the financial statements

24 Finance costs

	31st March 2017	31st March 2016
Interest on Working Capital	7,829,888	6,715,475
Interest on Vehicle Loan	27,295	550
Interest on Excise duty	-	136
Bank charges	345,781	400,013

8,202,964 7,116,174

25 Other expenses

Plant Maintenance	11,753,353	10,924,398
Stores & Spares Consumed	17,421,025	19,860,802
Generator Maintenance	450,206	750,525
Power Charges	1,010,880	1,288,692
Electricity Duty	6,213,426	-
Vehicle Maintenance	2,255,364	1,947,569
Repair and Service	2,923,803	1,903,107
Mata Wages & Maintenance	1,048,638	1,164,580
Printing and Stationery	83,670	81,915
Postage and Telephone charges	392,553	394,741
Travelling and conveyance	793,923	844,464
Service Tax	485,264	838,691
Office Maintenance	400,689	418,133
Computer Maintenance	81,900	93,870
Insurance	1,589,826	1,609,234
Income Tax	179,073	3,096
Professional charges	105,070	50,000
Miscellaneous expenses	353,166	34,336
Repairs and maintenance-Service Charges	95,544	95,618
Taxes and Licenses paid	652,083	619,449
Commission on Sales	522,359	463,519
Vehicle Maintenance	816,813	1,131,710
Sales promotion expenses	3,280	9,040
Outward Freight Charges	1,650,055	1,636,539
Auditors Remuneration	149,506	143,850
Advertisement Expenses	69,564	124,951
Security Maintenance	586,697	809,806
Bad Debts written off	11,448	2,289,454
Donations	680,000	2,000
Road Development Expenses	488,100	-

53,354,067 48,053,059

Notes: 26: 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.1200.00 Lacs is secured by hypothecation of Stocks of Raw materials, Stores & Spares, Finished Goods, Book Debts both present and future.

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	31.03.2017 (Rs.in Lakhs)	31.03.2016 (Rs.in Lakhs)
a) Segment Revenue (Net Sales/Income from each Segment)		
i) Solvent Extraction Division	4845.62	4214.86
ii) Power Division	1644.74	2106.27
iii) Steel Division	657.11	349.03
TOTAL:	7157.47	6670.16
Less: Inter Segment Revenue	241.29	125.05
Net Sales/Income from Operations	6916.18	6545.11
b) Segment Results (Profit(+)/Loss(-) before tax from each segment)		
i) Solvent Extraction Division	35.19	26.74
ii) Power Division	79.82	210.28
iii) Steel Division	(45.93)	(66.29)
TOTAL:	69.08	170.73
Less: Other Unallocable Expenditure net off/Unallocable Income	-	-
Profit Before Tax	69.08	170.83

c) Capital Employed		
Segment Assets:		
i) Solvent Extraction Division	1872.78	1907.89
ii) Power Division	1469.35	1364.02
iii) Steel Division	428.12	239.96
TOTAL:	3770.25	3511.87
Less: Inter Segment Assets	551.10	241.52
Net Segmental Assets	3219.15	3270.35
Segment Liabilities:		
i) Solvent Extraction Division	1274.03	1341.80
ii) Power Division	117.68	92.17
iii) Steel Division	379.57	145.48
TOTAL:	1771.28	1579.45
Less: Inter Segment Liabilities	551.10	241.52
Net Segmental Liabilities	1220.18	1337.93
Capital Employed (Segmental Assets - Segmental Liabilities)		
i) Solvent Extraction Division	598.75	565.09
ii) Power Division	1351.67	1271.85
iii) Steel Division	48.55	94.48
TOTAL:	1998.97	1932.42

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 2017

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	32,10,863	Nil
Purchase of Rice Bran from Srinivasa Raw & Par Boiled Rice Mill	2,17,07,629	Nil
Purchase of Husk from Srinivasa Raw & Par Boiled Rice Mill	30,15,763	Nil
Sale of R.B oil to Sreehitha Refineries Limited	10,10,28,128	49,34,326

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 2017, 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 realised in the ordinary course of business.

9. Managerial Remuneration:

Particulars	2016-17 (Rs)	2015-16 (Rs)
V.Venkataramaiah	10,03,787	10,22,775
V.Balaji	10,03,788	10,22,773
V.Suraj Kumar	12,03,288	10,22,772

10. Auditors Remuneration includes the following:

Statutory Audit Fee	Rs.75,000/-
Tax Audit Fee	Rs.50,000/-
Other Services	Rs.25,000/-
Service Tax	Rs. 19,500/-

11. Contingent Liabilities not provided for:

Particulars	As at 31-Mar-2017	As at 31-Mar-2016
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	2016-2017 (Rs)	2015-2016 (Rs)
Profit attributable to Equity Shareholders (A)	57,57,274/-	1,57,49,265/-
Basic/weighted average number of equity shares outstanding during the year (Nos) (B)	1,08,85,542	1,08,85,542
Nominal Value of Equity Share(Rs)	10/-	10/-
Earnings Per Share (Basic & Diluted)	0.53	1.45

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

The deferred tax liability for the year 2016-2017 due to timing differences between financial statements and taxation statements as per the applicable rate of taxation, estimated as Rs. 8,98,529/- 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 31-03-2017 is as given below:

Particulars	(Liability) / Asset as at 1-4-2016	(Charges) / Credit for the year	(Liability) / Asset as at 31-3-2017
Timing differences on Account of			
Depreciation on Assets	30,29,184	(8,97,809)	21,31,375
Total	30,29,184	(8,97,809)	21,31,375

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 EXTRACTION)
4.5 M.W (POWER DIVISION)
(As certified by the management but not verified by Auditors being a technical matter.)
- C) Actual : 24614.276 M.T (SOLVENT EXTRACTION)
3,15,44,500 UNITS (POWER)
3,122,500 M.T(STEEL)

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

Particulars	2016-17		2015-16	
	Qty in MTs	Value (Rs.in lakhs)	Qty in MTs	Value (Rs.in lakhs)
TURNOVER				
Rice Bran Oil	4214.92	2050.69	4657.030	1989.08
De-Oiled Rice Bran (Including gunnies Quantity & Value)	21437.290	2793.90	19330.870	2224.90
Power (Units)	24134600	1397.63	27145200	1975.09
Captive Consumption(Units)	4021600	241.29	2084300	125.06
Utilized in Auxiliaries	3388300	0.00	3402400	0.00
Iron Ingots	2767.560	667.11	1359.900	349.04
Others - Gummies, Ash etc.		6.84		7.00
Raw Material Consumed				
Rice Bran	24614.276	4147.92	25210.037	3887.53
Husk	45189.23	1095.23	36640.66	1087.52
Coal	6153.00	344.12	26161.037	498.16
Corn Hay	4680.920	82.22	2175.160	41.64
Pam Hay	333.870	3.41	0.000	0.00
Coconut Hay	408.000	4.08	0.000	0.00
Black Gram	47.290	0.47	0.000	0.00
Baggasse	164.670	1.73	0.00	0.00
Chilli Hay	172.750	2.47	0.00	0.00
Jamoli Waste	67.790	0.77	0.00	0.00
Scrap & Sponge & Pig Iron and Pet Coke	3655.375	508.52	1480.05	231.28

Particulars	2016-17		2015-16	
	Qty in MTs	Value (Rs.in lakhs)	Qty in MTs	Value (Rs.in lakhs)
Purchase of Raw Material				
Rice Bran	24860.768	4170.74	25531.944	3941.65
Husk	44311.730	1033.09	37951.335	1107.17
Coal	5735.940	151.19	25041.35	483.96
Corn Hay	3402.545	57.45	3538.950	67.02
Chilli Hay	172.750	2.47	0.000	0.00
Coconut Hay	380.230	3.80	0.000	0.00
Black Gram	0.000	0.00	47.290	0.47
Baggasse	0.000	0.00	164.670	1.73
Palm Hay	280.440	2.58	0.000	0.00
Jamail Wast	67.790	0.78	0.000	0.00
Scrap & Sponge & Pig Iron and Pet Coke	3702.40	524.51	1590.120	241.58
Opening Stock of Raw Material				
Rice Bran	988.511	110.94	666.604	56.83
Husk	5471.110	158.61	4160.435	138.95
Coal	3784.593	79.47	4904.280	93.67
Corn Hay	1575.790	29.72	212.000	4.35
Coconut Hay	51.270	0.51	51.270	0.51
Palm Hay	153.430	1.77	153.430	1.77
Black Gram	47.290	0.47	0.000	0.00
Baggasse	164.670	1.73	0.000	0.00
Scrap & Sponge Iron	229.364	32.13	119.294	21.83
Closing Stock of Raw Material				
Rice Bran	1235.003	133.76	988.511	110.94
Husk	4593.610	96.46	5471.110	158.61
Coal	3367.533	86.55	3784.593	79.47
Corn Hay	297.415	4.95	1575.790	29.72
Coconut Hay	23.500	0.23	51.270	0.51
Palm Hay	100.000	0.94	153.430	1.77
Black Gram Hay	0.000	0.00	47.290	0.47
Baggasse	0.000	0.00	164.67	1.73
Scrap & Sponge and Pig Iron	276.389	48.11	229.364	32.13
Opening Stock of Finished Goods				
Rice Bran Oil	581.530	244.24	581.690	247.22
De-Oiled Rice Bran	4164.261	453.90	2679.472	249.19
Iron Ingots	333.700	83.76	496.500	136.54
Closing Stock of Finished Goods				
Rice Bran Oil	550.090	234.89	581.530	244.24
Deoiled Rice Bran	3348.683	352.95	4164.261	453.91
Iron Ingots	688.640	196.26	333.700	83.76
Inflow of Foreign		Nil		Nil

Signatures to Schedules 1 To 26

As per our Report of even date
for Suresh and Babu
Chartered Accountants

For and on behalf of the Board

(V.Venkataramaiah)
Chairman

(S.Muralikrishna Rao)
Partner

Place: Vijayawada
Date : 30th May 2017

(V.Balaji)
Jt. Managing Director

(V.Suraj Kumar)
Jt. Managing Director

BALAJI AGRO OILS LIMITED

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

PROXY FORM

I/we.....being a member/members (s)
of **BALAJI AGRO OILS LIMITED**, hereby appoint

.....of.....
of falling him.....of.....

.....in the district of.....
as my/our proxy to attend and vote for me/us and on my/our behalf at the
23rd Annual General Meeting of the said Company to be held to
11.00 am at D.No. 74-2-19, Patamata, Vijayawada - 520 007.

Friday the 29th September 2017 and at any adjournment thereof.

Signed this.....day of.....Ninetety Nine

Signature (s) of the share holder (s).....

Folio No.....

No. of Shares.....

Distinctive No.....

Affix
Revenue
Stamp

- Note :
1. The proxy from duly completed must be deposited at the Registered Office to the Company not less than 28 hours the time Fixed for holding the meeting.
 2. A Proxy need not be a Member.

BALAJI AGRO OILS LIMITED

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

Regd. Folio No.....No. of Share.....

I hereby record my presence at the 23rd Annual General Meeting of
the Company held at D.No. 74-2-19, Old Check Post Center, Patamata,
Vijayawada-520 007. on Friday the 29th September 2017

Name of the proxy (if any) in Block Letter Signature of Member / Proxy

Note : Please fill this attendance slip and hand it over at the entrance of the
meeting hall. Share Holders who come to attend the meeting are
requested to bring the copies of the annual Report also with them.