

**BALAJI SPECIALITY CHEMICALS  
PRIVATE LIMITED**

**10<sup>TH</sup> ANNUAL REPORT  
2019-20**

**BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED**

**10<sup>TH</sup> ANNUAL REPORT 2019-20**

**Board of Directors:**

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

**Audit Committee:**

1. Mr. Kashinath Revappa Dhole	-	Chairman
2. Mr. Rajendra Kumar Tapadiya	-	Member
3. Mr. G. Hemanth Reddy	-	Member

**Nomination and Remuneration Committee:**

1. Mr. Kashinath Revappa Dhole	-	Chairman
2. Mr. Rajendra Kumar Tapadiya	-	Member
3. Mr. G. Hemanth Reddy	-	Member

**Auditor:**

M/s. Pandhare & Co.  
Chartered Accountants  
"Arth-Shilp" 594-A, South Kasba,  
Near Date Ganpati Temple,  
Navi Peth, Solapur - 413 007.

**Registered Office:**

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

**Works:**

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



# Speciality Chemicals Private Limited

(Formerly Known as Balaji Benzochem Private Limited)

CIN : U24299PN2010PTC137162

Registered Office : 2nd Floor, 'Balaji Towers' No. 9/1A/1, Hotgi Road, Aasara Chowk, SOLAPUR - 413 224. Maharashtra. (India)  
Phone : 0091-217-2600 127, Fax : 0091-217-2451 521 • E-mail : info@balajispecialitychemicals.com

## NOTICE

NOTICE is hereby given that the 10<sup>th</sup> Annual General Meeting of the members of **BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED** will be held through Video Conference on Friday, the 7<sup>th</sup> day of August, 2020 at 11:30 A.M. to transact the following businesses:

### Ordinary Business:

1. To receive, consider and adopt the Balance-sheet as at 31<sup>st</sup> March, 2020 and the Statement of Profit and Loss and cash flow statement for the year ended on that date and the Reports of the Directors' and the Auditor's thereon.
2. To appoint a Director in place of Mr. D. Ram Reddy (DIN No. 00003864) who retires by rotation and being eligible, offers himself for re-appointment.

### Notes:

- (1) In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs has permitted the holding of the Annual General Meeting through video conferencing (VC), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 and MCA Circulars dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020, the AGM of the Company is being held through VC.
- (2) Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- (3) Members attending the AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- (4) Since the AGM will be held through VC, the Route Map is not annexed in this Notice.

By order of the Board of Directors  
For Balaji Speciality Chemicals Private Limited

SD/-  
Rajeshwar Reddy Nomula  
Managing Director  
DIN: 00003854

Place: Solapur  
Date: 19<sup>th</sup> June, 2020

Works at : Plot No. E 8/1, Chincholi M.I.D.C., Tal. Mohol, Dist. Solapur - 413 255.  
E-mail : balajispecialitychemicals@gmail.com



# Speciality Chemicals Private Limited

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Phone : 0091-217-2600 127, Fax : 0091-217-2451 521 • E-mail : info@balajispecialitychemicals.com

## DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2020

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

Your Directors have pleasure in presenting the 10<sup>th</sup> Annual Report of the Company for the Financial Year ended 31<sup>st</sup> March, 2020 along with the Auditors' Report thereon.

Highlights of the operations during the year are as follows.

### 1. Financial Results:

The Financial highlights of the Company for the financial year 31<sup>st</sup> March, 2020 are as follow:

Particulars	(Amount in Rs.)	
	31-Mar-2020	31-Mar-2019
Operating Income	53,89,20,344	12,60,957
Other Income	18,09,242	0
Total Income	54,07,29,586	12,60,957
Total Expenditure	52,94,87,648	12,21,877
Operating Profit/(Losses)	1,12,41,938	39,080
Less: Finance Charges	15,56,29,109	0
Profit/(Loss) before depreciation and amortization	-14,43,87,171	39,080
Less: Depreciation	7,44,15,887	0
Profit / (Loss) before Tax and Prior Period Items	-21,88,03,058	39,080
Less: Prior Period Items	-6,50,000	0
Less: Taxes(Current Tax, FBT & Provisions for Deferred tax)	0	0
Deferred Tax	-6,26,27,067	0
Net Profit/(Loss)	-15,55,25,991	39,080
Net Worth	68,45,07,806	84,00,39,080

### 2. Financial Performance

During the year, Your Company recorded a total income of Rs. 54,07,29,586. The Net loss of the Company for Financial Year is Rs. 15,55,25,991. The Company received environmental clearance in the on 10<sup>th</sup> June, 2019 and started the commercial production on 13<sup>th</sup> June, 2019. Performance is expected to improve during the next financial year.

### 3. Dividend:

In view of unavailability of distributable profits, your Directors did not recommend any dividend for the financial year ended 31<sup>st</sup> March, 2020.

Works at : Plot No. E 8/1, Chincholi M.I.D.C., Tal. Mohol, Dist. Solapur - 413 255.  
E-mail : balajispecialitychemicals@gmail.com

**4. Capital Structure:**

At present, the Authorized share capital of the Company is Rs. 45,00,00,000 /- (Rupees Forty Five Crores Only) divided into 4,50,00,000 (Rupees Four crore fifty lakhs only) Equity Shares of Rs. 10/- each (Rupees Ten only).

The issued and paid up Share Capital of the Company is Rs. 40,00,00,000 /- (Rupees Forty Crores Only) comprising of 4,00,00,000 (Four Crores) Equity Shares of Rs.10/- each.

**5. Reserves:**

Company has not transferred any amount to its General Reserve.

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

There is no change in the nature of business of the Company during the Financial Year 2019-20.

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

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

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

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

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

There are no Subsidiary / Joint Ventures / Associates of the Company as on 31<sup>st</sup> March, 2020. As such, there is nothing to report under this clause.

**10. Transfer of Unclaimed Dividend to Investor Education and Protection Fund:**

Since the Company has not declared any dividend and there was no unpaid/unclaimed Dividend, the provisions of Section 125 of the Companies Act, 2013 do not apply.

**11. Deposits:**

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

During the financial year under review, the Company has received unsecured loans of amounting to Rs. 4,00,00,000.80/- from its Director and in this regard, a declaration in writing has been obtained to the effect that the amount so given is own funds and not out of funds acquired or borrowed or accepted loans or deposits from others.

In addition to that Company has also taken loan from its holding Company Balaji Amines Limited, details of which are given in the notes to Financial Statements.

**12. Statutory Auditors:**

M/s. Pandhare & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company for a period of 5 Years from the Conclusion of 9th Annual General Meeting of the Company till the conclusion of 14th Annual General Meeting of the Company subject to ratification by members in every Annual General Meeting.

However, by the companies (Amendment) Act, 2017, provisions pertaining to ratification of appointment of Statutory Auditor has been omitted with effect from 7<sup>th</sup> May, 2018. Hence, the agenda for ratification of appointment of M/s. Pandhare & Co., Chartered Accountants, as Statutory Auditors has not been proposed in the Notice convening the Annual General Meeting.

The Independent Auditors report given by M/s. Pandhare & Co., Chartered Accountants, the Statutory Auditors of the Company on standalone and consolidated Financial Statements of the Company does not contain any qualification, reservation or adverse remark.

**13. Auditor's Report:**

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

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company under sub-section (12) of section 143 of the Companies Act, 2013, during the year under review.

**14. Maintenance of Cost Records:**

Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013

**15. Extract of Annual Return:**

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

**16. Secretarial Audit Report:**

The Secretarial Audit Report, pursuant to Section 204(1) of the Companies Act, 2013, for the financial year ended 31<sup>st</sup> March, 2020 is attached hereto and forms part of this Report as "Annexure -II". The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

**17. Internal Auditors:**

The Board of Directors on recommendation of the Audit Committee have appointed M/s. Aherkar & Associates, Chartered Accountants, Solapur, as the Internal Auditors of your Company.

**18. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:**

**(A) Conservation of energy-**

(i) the steps taken or impact on conservation of energy; - NA

(ii) the steps taken by the company for utilising alternate sources of energy; - NA

(iii) the capital investment on energy conservation equipments; - NA

**(B) Technology absorption-**

- (i) the efforts made towards technology absorption; - The Company has imported few machineries and spare parts along with the technical knowhow for the plant. Machineries has been imported and installed successfully and desired output is achieved through trial runs
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution; - The Company has just started the production and will be able to assess the benefits from next Financial Year.
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
- (a) the details of technology imported -EDA Catalyst DICP, Various Machineries and process know how
- (b) the year of import; 2018
- (c) whether the technology been fully absorbed; - Yes
- (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and - Not Applicable
- (iv) the expenditure incurred on Research and Development. - NIL

	2019-20	2018-19
Foreign Exchange outgo	Rs. 1,27,70,464 /-	Rs. 52,12,11,480/-
Foreign Exchange earned	Rs. 1,15,18,093/-	Nil

**19. Corporate Social Responsibility:**

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

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

During the year, the composition of the Board of Directors of your Company has been in conformity with the requirements of the Companies Act, 2013. The Board of Directors of the Company as on 31<sup>st</sup> March, 2020 consisted of Seven (7) Directors comprising Five (5) Whole Time Director / Managing Director and Two (2) as non-executive Independent Non-Executive director(s).

There were no changes in the Details of Directors or Key Managerial Personnel during the Financial Year 2019-20.

**21. Number of Meetings of the Board of Directors:**

Information in respect of the meetings held during the Financial Year 31<sup>st</sup> March, 2020 and their attendance at each meeting of the Board are as under:

6 (six) number of Board meetings were held during the Financial Year 31<sup>st</sup> March, 2020 which were held on 2<sup>nd</sup> May, 2019, 10<sup>th</sup> July, 2019, 25<sup>th</sup> July, 2019, 22<sup>th</sup> October, 2019, 21<sup>st</sup> November, 2019, 23<sup>rd</sup> January, 2020. The brief detail is as under:

Sr. No.	Name of the Director	Category	No. of meetings attended
1.	Mr. N. Rajeshwar Reddy	Managing Director	6

2.	Mr. A. Prathap Reddy	Director	5
3.	Mr. A. Srinivas Reddy	Director	5
4.	Mr. G. Hemanth Reddy	Director	5
5.	Mr. D. Ram Reddy	Director & CFO	6
6.	Mr. Kashinath R. Dhole	Independent Director	5
7.	Mr. Rajendra Kumar Tapadiya	Independent Director	6

## 22. Committees of the Board

### Audit Committee

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

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

4 (four) number of Board meetings were held during the Financial Year 31<sup>st</sup> March, 2020 which were held on 2<sup>nd</sup> May, 2019, 10<sup>th</sup> July, 2019, 22<sup>th</sup> October, 2019, 23<sup>rd</sup> January, 2019. The brief detail is as under:

Sr. No.	Name of the Director	Category	No of Meetings attended
1	Mr. Kashinath R. Dhole	Chairman	3
3	Mr. Rajendra Tapadiya	Member	4
3	Mr. G. Hemanth Reddy	Member	4

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

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

### Nomination and Remuneration Committee

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

The composition of the committee is given below:

Name	Designation in Committee	Category of Director
Mr. Kashinath Revappa Dhole	Chairman	Independent, Non- Executive
Mr. G. Hemanth Reddy	Member	Non- Executive
Mr. Rajendra Kumar Tapadiya	Member	Independent, Non-Executive

During the year, committee under the guidance of Board, also formulated the criteria and framework for the performance evaluation of every Director of the Board including independent Directors and



identified the ongoing training and education programs to ensure that the independent Directors are provided with adequate information regarding the business, the industry and their legal responsibilities and duties.

**23. Particulars of Loans, Guarantees or Investments under Section 186:**

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

**24. Particulars of Contracts or Arrangements with Related Parties:**

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

**25. Particulars of Employees**

There was no employee in receipt of remuneration exceeding 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.

**26. Risk Management Policy:**

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

**27. Remuneration Policy:**

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

**28. Declaration by an Independent Director(s)**

Declarations by Independent Director(s) were received as applicable to them on time.

**29. Annual Board Evaluation**

The Board evaluation criteria for the Board was based on questionnaire containing select parameters like composition, frequency of meeting, active participation, effective deliberation, constructive decisions including the flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The annual performance evaluation of the Directors individually vis-à-vis the Board and its committees have been carried out.

**30. Directors' Responsibility Statement:**

- a. The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that:-
- b. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- c. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair

view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;

- d. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- e. The Directors had prepared the annual accounts on a going concern basis; and
- f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

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

The Company has in place an Anti-Sexual Harassment Policy (Policy) in line with the requirements of The Sexual Harassment of Women at the Work Place (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under the Policy. The following is a summary of sexual harassment complaints received and disposed off during the year 2019-20:

- a. No of Complaint received - Nil
- b. No of Complaint disposed off - Nil

**32. Vigil Mechanism:**

The Board approved Vigil Mechanism of the Company at its meeting held on 16<sup>th</sup> May, 2018. The purpose of the policy is to provide a framework to promote a responsible and secure Whistle Blowing and to protect directors/employees wishing to raise a concern about serious irregularities within the Company. Under the policy, protected disclosures against below Board level employees will be addressed to the Whole Time Director / Managing Director and against Board level employees to the Chairman of the Board. During the year, no reporting under Vigil Mechanism was made by any employee or Director of the Company.

**33. Human Resource & Industrial Relations:**

The Company's total manpower as on 31<sup>st</sup> March, 2020 was 65 Employees. During the year, harmonious industrial relations were maintained in the Company.

**34. Health Safety & Environment:**

Your Company attaches highest priority to safety, occupational health and protection of environment in and around its working areas. Besides your Company has installed necessary fire safety measures, CCTV cameras have also been installed and the Company conducts regular mock drills, health awareness programs and water and electricity conservation activities from time to time.

**35. Details in Respect of Adequacy of Internal Financial Controls with Reference to the Financial Statements:**

The Company has in place proper and adequate internal control systems commensurate with the nature of its business, and size and complexity of its operations. Internal control systems comprising of policies and procedures designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations, and that all assets and resources are acquired are used economically.

**36. Acknowledgments:**

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

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

**By order of the Board of Directors  
For Balaji Speciality Chemicals Private Limited**

**SD/-  
Rajeshwar Reddy Nomula  
Managing Director  
DIN: 00003854**

**Place: Solapur  
Date: 19<sup>th</sup> June, 2020**

Annexure - I

Form No. MGT - 9

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on 31-MAR-20

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

i. REGISTRATION AND OTHER DETAILS:

1.	CIN	U24299PN2010PTC137162
2.	Registration Date	20.08.2010
3.	Name of the Company	Balaji Speciality Chemicals Private Limited
4.	Address of the Registered Office and Contact Details	2 <sup>nd</sup> Floor, Balaji Towers, Aasara Chowk, Hotgi Road, Solapur - 413 224.
5.	Category / Sub-Category of the Company	Private Limited Company Company Limited by Share Indian Non-Government Company

ii. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sr. No.	Name and Description of Main Products / Services	NIC Code of the Product / Service	% to Total Turnover of the Company*
1.	Manufacturing of organic and inorganic chemical	20119	100%

iii. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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



b) Individuals									
i) Individual Shareholders holding Nominal Share Capital Upto Rs. 1.00 lacs									
ii) Individual shareholders holding Nominal Share Capital in excess of Rs. 1.00 lacs									
c) Others(Specify)									
Sub-Total (B) (2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)= (B) (1)+(B) (2)	-	-	-	-	-	-	-	-	-

**C. Shares held by Custodian for GDRs & ADRs - NIL**

Grand Total (A+B+C)	-	40000000	40000000	100	8451305	31548695	40000000	100	-
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**(b) Shareholding of Promoters:**

No.	Shareholder's Name	Shareholding at the beginning of the Year			Shareholding at the end of the Year			% change in shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	
1.	Ram Reddy Dundurapu	9,79,000	2.45	-	9,79,000	2.45	-	-
2.	Ande Srinivas Reddy	36,00,000	9.00	-	36,00,000	9.00	-	-
3.	N. Rajeshwar Reddy	12,80,000	3.2	-	12,80,000	3.2	-	-
4.	G. Hemanth Reddy	4,03,959	1.01	-	4,03,959	1.01	-	-
5.	A. Prathap Reddy	6,36,000	1.59	-	6,36,000	1.59	-	-
6.	D. Tanmai Reddy	531265	1.33	-	531265	1.33	-	-
7.	D. Vandana Reddy	825000	2.06	-	825000	2.06	-	-
8.	G. Srujan Reddy	4736	0.01	-	4736	0.01	-	-
9.	N. Eeshan Reddy	1070000	2.68	-	1070000	2.68	-	-
10.	N. Deepti Reddy	390000	0.98	-	390000	0.98	-	-
11.	A. Shakuntala Devi	1440000	3.60	-	1440000	3.60	-	-
12.	Annapurna Devi	900040	2.25	-	900040	2.25	-	-
13.	A. Madhumati Devi	500000	1.25	-	500000	1.25	-	-
14.	G. Shritha Reddy	400000	1.00	-	400000	1.00	-	-
15.	G. Komali Reddy	370000	0.93	-	370000	0.93	-	-
16.	G. Laasya Reddy	370000	0.93	-	370000	0.93	-	-
17.	Balaji Speciality Fine Chem Products Private Limited	4300000	10.75	-	4300000	10.75	-	-
18.	Balaji Amines Limited	2,20,00,000	55	-	2,20,00,000	55	-	-

(c) Change in Promoters' Shareholding:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the Year		Date wise Increase / Decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	Shareholding at the end of the Year		% change in shareholding during the year
		No of Shares	% of Total Shares of the Company		No of Shares	% of Total Shares of the Company	
1.	Ram Reddy Dundurapu	9,79,000	2.45	No Change	9,79,000	2.45	-
2.	Ande Srinivas Reddy	36,00,000	9.00	No Change	36,00,000	9.00	-
3.	N. Rajeshwar Reddy	12,80,000	3.2	No Change	12,80,000	3.2	-
4.	G. Hemanth Reddy	4,03,959	1.01	No Change	4,03,959	1.01	-
5.	A. Prathap Reddy	6,36,000	1.59	No Change	6,36,000	1.59	-
6.	D. Tanmai Reddy	531265	1.33	No Change	531265	1.33	-
7.	D. Vandana Reddy	825000	2.06	No Change	825000	2.06	-
8.	G.Srujan Reddy	4736	0.01	No Change	4736	0.01	-
9.	N.Eeshan Reddy	1070000	2.68	No Change	1070000	2.68	-
10.	N. Deepti Reddy	390000	0.98	No Change	390000	0.98	-
11.	A. Shakuntala Devi	1440000	3.60	No Change	1440000	3.60	-
12.	Annapurna Devi	900040	2.25	No Change	900040	2.25	-
13.	A. Madhumati Devi	500000	1.25	No Change	500000	1.25	-
14.	G. Shritha Reddy	400000	1.00	No Change	400000	1.00	-
15.	G. Komali Reddy	370000	0.93	No Change	370000	0.93	-
16.	G. Laasya Reddy	370000	0.93	No Change	370000	0.93	-
17.	Balaji Speciality Fine Chem Products Private Limited	4300000	10.75	No Change	4300000	10.75	-
18.	Balaji Amines Limited	22000000	55	No Change	22000000	55	-

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

(e) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of Total shares of the Company	No of Shares	% of Total shares of the Company
1	Ram Reddy Dundurapu	9,79,000	2.45	9,79,000	2.45
2	Ande Srinivas Reddy	36,00,000	9.00	36,00,000	9.00
3	N. Rajeshwar Reddy	12,80,000	3.20	12,80,000	3.20
4	G. Hemanth Reddy	4,03,959	1.01	4,03,959	1.01
5	A. Prathap Reddy	6,36,000	1.59	6,36,000	1.59
6	Kashinath R. Dhole	-	-	-	-
7	Rajendra Tapadiya	-	-	-	-
8	Jimisha Parth Dawda (Company Secretary)	-	-	-	-

**V. INDEBTEDNESS:**

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

(Amount in Rs.)

Particulars	Secured Loans	Unsecured Loan	Unsecured Loan	Deposits	Total Indebtedness
	excluding deposits	Banks	Others		
<b>Indebtedness at the beginning of the financial year</b>					
i) Principal Amount	99,99,78,415.00	20,00,00,000.00	32,65,76,847.00	0.00	1,52,65,55,262.00
ii) Interest due but not paid	0.00	0.00	22,02,761.00	0.00	22,02,761.00
iii) Interest accrued but not due	49,53,630.14	0.00	0.00	0.00	49,53,630.14
<b>Total (i+ii+iii)</b>	<b>1,00,49,32,045.14</b>	<b>20,00,00,000.00</b>	<b>32,87,79,608.00</b>	<b>0.00</b>	<b>3,50,56,58,023.00</b>
<b>Change in Indebtedness during the financial year</b>					
* Addition	50,00,00,000.00		1,47,69,00,000.00	0.00	1,97,69,00,000.00
* Reduction	15,90,83,333.38	20,00,00,000.00	1,30,00,00,000.37	0.00	1,65,90,83,333.75
<b>Net Change</b>	<b>34,09,16,666.62</b>	<b>-20,00,00,000.00</b>	<b>17,68,99,999.63</b>	<b>0.00</b>	<b>31,78,16,666.25</b>
<b>Indebtedness at the end of the financial year</b>					
i) Principal Amount	1,34,08,95,081.62	0.00	50,34,76,846.63	0.00	1,84,43,71,928.25
ii) Interest due but not paid	0.00	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	74,08,579.70	49,53,629.65	0.00	0.00	1,23,62,209.35
<b>Total (i+ii+iii)</b>	<b>1,34,83,03,661.32</b>	<b>49,53,629.65</b>	<b>50,34,76,846.63</b>	<b>0.00</b>	<b>1,85,67,34,137.60</b>

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

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Managing Director	Whole-Time Director		
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of Salary under-Section 17(3) of the Income-tax Act, 1961	-	-	-	-



2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission on Profit	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total A</b>	-	-	-	-
6.	Ceiling as per Act	-	-	-	-

**B. Remuneration to other Directors - NIL**

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Kashinath Dhole	R.	Rajendra Tapadiya	Kumar	
1.	Independent Directors					
	Fees for attending Board Committee Meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	-	-	-	-	-
2.	Other Non-Executive Directors					
	Fees for attending Board Committee Meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-
	<b>Total = (1+2)</b>	-	-	-	-	-
	<b>Total Managerial Remuneration (A+B)</b>	-	-	-	-	-

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	Company Secretary	CFO	
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites under Section 17(2) of the income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of Salary under Section 17(3) of the income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission on Profit	-	-	-	-
5.	Others, Please Specify	-	-	-	-
	<b>Total</b>	-	-	-	-

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES : NIL

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

By order of the Board of Directors  
For Balaji Speciality Chemicals Private Limited

SD/-  
Rajeshwar Reddy Nomula  
Managing Director  
DIN: 00003854

Place: Solapur  
Date: 19<sup>th</sup> June, 2020

**Annexure – II**

Form No.MR-3

**SECRETARIAL AUDIT REPORT**

for the Financial Year ended March 31, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014] & 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To  
The Members  
**Balaji Speciality Chemicals Private Limited**  
Solapur

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Balaji Speciality Chemicals Private Limited.**, (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (**Not applicable to the Company**);
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (**Not applicable to the Company**);
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (**Not applicable to the Company**);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**Not applicable to the Company**);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company**);
  - (f) 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 (**Not applicable to the Company**);

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company);** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company);**
- (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

vi. The industry specific major laws applicable to the company are:

- (a) Hazardous and other wastes (Management and Transboundary Movement) Rules, 2016 under the Environment (Protection ), Act, 1986
- (b) Petroleum Act 1934
- (c) Poisons Act 1919
- (d) The Indian Boilers Act, 1923
- (e) The Explosives Act 1983
- (f) Manufacture Storage and Import of Hazardous Chemical Rules, 1989

We have also examined compliance with the applicable clauses of Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We 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.

**We 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.

**For P.S. Rao & Associates  
Company Secretaries**

**P S Rao  
Partner  
M. No. F10322  
C P No: 3829**

**Place: Hyderabad**

**Date: 17.06.2020**

**UDIN: F010322B000350411**

*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.*

To  
The Members  
**Balaji Speciality Chemicals Private Limited**  
Solapur

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

1. Maintenance of secretarial and other statutory record is the responsibility of the management of the company. Our responsibility is to express an opinion on these 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. In view of the limitations imposed during the lockdown of the country due to the pandemic spread of the COVID-19 disease, the audit was conducted based on the information and documents provided by the management of the company.
7. 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.

**For P.S. Rao & Associates**  
**Company Secretaries**

**P S Rao**  
**Partner**  
**M. No. F10322**  
**C P No: 3829**

Place: Hyderabad  
Date: 17.06.2020  
UDIN: F010322B000350411

**Annexure III:**

**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.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto:

**1. Details of material contracts or arrangement or transactions at arm's length basis:**

SL. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	Balaji Amines Limited Holding Company Where Directors are Interested
2.	Nature of contracts/arrangements/transaction	Sale, purchase or supply of raw material and trading of Specialty Chemicals and other capital goods
3.	Duration of the contracts/arrangements/transaction	Upto 31 <sup>st</sup> March, 2020
4.	Salient terms of the contracts or arrangements or transaction including the value, if any  Purchase of Goods & Services Sale of Goods & Services Rent paid Interest Charged Loan Accepted Loan repaid	Contractual upto Rs. 85 Crores  Rs. 395841225 Rs. 40770546 Rs. 70800 Rs. 53907718 Rs. 1436900000 Rs. 1300000000
5.	Date of approval by the Board	2 <sup>nd</sup> May, 2019
6.	Amount paid as advances, if any	NA

SL. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	MVL Medisynth Private Limited  A Company in which Relatives of Directors / KMPs are interested
2.	Nature of contracts/arrangements/transaction	Sale, purchase or supply of raw material and Job work
3.	Duration of the contracts/arrangements/transaction	1 Year
4.	Salient terms of the contracts or arrangements or transaction including the value, if any  Purchase of Goods & Services	Contractual upto Rs. 10 Crores  Rs. 4382697

	Sale of Goods & Services	Rs. 2390562
5.	Date of approval by the Board	23 <sup>rd</sup> January, 2020
6.	Amount paid as advances, if any	NA

**For Balaji Speciality Chemicals Private Limited**

SD/-

**Rajeshwar Reddy Nomula**  
Managing Director  
DIN: 00003854

SD/-

**D Ram Reddy**  
Director  
DIN : 00003864

SD/-

**Jimisha Parth Dawda**  
Company Secretary

Place: Solapur  
Date: 19<sup>th</sup> June, 2020



**PANDHARE & CO**  
CHARTERED ACCOUNTANTS

"Arth-Shilp" 594-A, South Kasba  
Near Date Ganpati Temple, Navi Peth  
Solapur - 413007

Office@capandhare.co.in

Phone : (0217) - 2622370 / 2724945

## INDEPENDENT AUDITOR'S REPORT

To the Members of Balaji Speciality Chemicals Private Limited,

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the standalone financial statements of Balaji Speciality Chemicals Private Limited ("the Company"), which comprise the balance sheet as at 31st March 2020, and the Statement of Profit and Loss, Statement Of Changes In Equity And Statement Of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 Indian Accounting Standard Prescribed under section 133 read with Companies (Indian Accounting Standards) Rules 2015, as amended, (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit/loss, changes in equity and its cash flows for the year ended on that date.





## **Basis for Opinion**

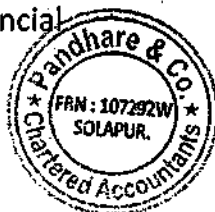
We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We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

## **Responsibility of Management for Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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



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

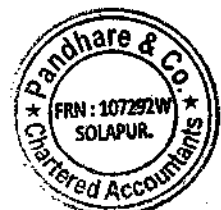
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

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

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that, a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.



Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

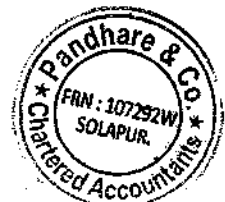
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 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

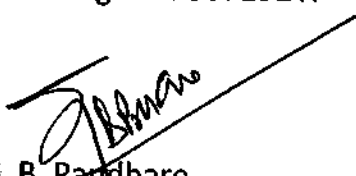


- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) The Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls by virtue of General Circular No. 08/2017 dated July 25, 2017 from MCA.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company does not have any pending litigations which would impact its financial position.
- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Solapur

For, **PANDHARE AND COMPANY**  
CHARTERED ACCOUNTANTS  
Firm Reg. No: 107292W

Date: 19.06.2020

  
S. B. Pandhare  
Chartered Accountant  
Partner, M. No.: 016834  
UDIN:20016834AAAAAI7064



## ANNEXURE "B" INDEPENDENT AUDITOR'S REPORT

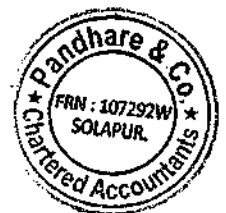
Statement referred to in our Audit Report of even date to the Members of **Balaji Speciality Chemicals Private Limited** on the financial statements for the year ended 31<sup>st</sup> March 2020, we report that,

1. The company is in the process of maintaining proper record showing full particulars including quantitative details and situation of fixed assets.(Para 3 (i)(a))

As explained to us, the physical verification of major portion of fixed asset as on 31.03.2020 was conducted by the management during the year. In our opinion, the frequency of verification is reasonable. Having regard to the size of operation of the company and the basis of explanation received, in our opinion, the net difference found on physical verification was not significant. (Para 3 (i)(b))

Based on our scrutiny of company's record, the title deeds of immovable properties are held in the name of the company.(Para 3 (i)(c))

2. Physical verification of inventory have been conducted by management at reasonable intervals. The discrepancies noticed on physical verification of stock as compared to book records, were not material and have been properly dealt within the books of accounts. (Para 3 (ii))
3. The company has not granted any loans, secured or unsecured to companies, firms, LLP or other parties covered in the registered maintained under Section 189 of the Companies Act, 2013. Hence clause 3 (iii)(a),(b),(c) not applicable.
4. In our opinion and according to the information and explanations given to us, company has not granted the loans , made investment or provided any guarantee or security during the year. Hence clause (Clause 3 (iv)) was not applicable.
5. Based on our scrutiny of company's record and according to information and explanation provided by the management, in our opinion, the company has not accepted any deposit as per provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. (Clause 3 (v))

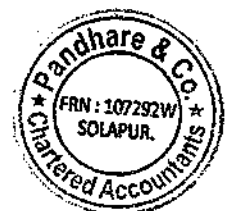


6. We have been informed by the Management that, no cost record have been prescribed u/s. 148(1) of the Companies Act, 2013 in respect of activity carried by the company. (Clause 3 (vi))
7. According to the records of the company, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities except advance income tax. (Clause 3 (vii)(a))

According to information and explanation given to us, no undisputed amount payable in respect of income tax, sales tax, VAT, Custom Duty, Excise as at 31.03.2020 for the period of more than six months from the date they become payable. (Clause 3 (vii)(a))

According to the record of company, there are no dues of income tax, sales tax, VAT, Custom Duty, Excise, cess, which have not been deposited on account of any dispute.(Clause 3 (vii)(b))

8. Based on our audit procedures and on the information and explanation given by the management, we are of the opinion that, the company has not defaulted in repayment of dues to financial institution, bank, Government as at balance sheet date. (Clause 3 (viii))
9. Based on our audit procedures performed and information and explanation given by the Management, we report that, Company has not raised money by way initial public offer. Further the term loans were applied for the purpose for which those are raised in the year. (Clause 3 (ix))
10. Based on our audit procedures performed and information and explanation given by the Management, we report that, prima facia no fraud on the company by its officers or employees has been noticed reported under the course of our audit. (Clause 3 (x))
11. Company has not given any remuneration to director. Hence this clause is not applicable. (Clause 3 (xi))
12. According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act, hence clause 3(xii) is not applicable.



13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sec. 177 & Section 188 of the Act, where applicable and the details have been disclosed is given in the financial statement (Clause 3 (xiii))
14. According, to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. (Clause 3 (xiv))
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with director. (Clause 3 (xv))
16. According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. (Clause 3 (xvi))

For, **PANDHARE AND COMPANY**  
**CHARTERED ACCOUNTANTS**



S. B. Pandhare  
Partner, M. No: 016834  
FRN: 107292W  
UDIN:20016834AAAAA17064

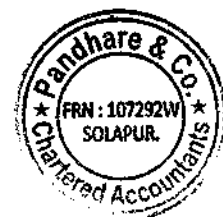
Date: 19.06.2020  
Place: Solapur



**Balaji Speciality Chemicals Private Limited**  
**Balance Sheet As at March 31, 2020**

1  
( Rupees )

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>1. Non - current assets</b>			
(a) Property, plant and equipment	2	2,11,32,60,801	0
(b) Capital work - in -progress	3	0	2,08,59,99,336
(c) Investment Property		0	0
(d) Goodwill		0	0
(e) Other Intangible assets		0	0
(f) Intangible assets under development		0	0
(g) Biological Assets other than bearer plants		0	0
(h) Financial Assets		0	0
(i) Investments		0	0
(ii) Trade Receivables		0	0
(iii) Loans		0	0
(iv) Others (to be specified)	4	1,14,92,775	1,14,92,775
(i) Deferred tax assets (net)		6,26,27,067	0
(j) Other non-current assets	5	98,88,951	1,65,02,662
<b>Total Non - current assets</b>		<b>2,19,72,69,594</b>	<b>2,11,39,94,773</b>
<b>2. Current assets</b>			
(a) Inventories	6	16,62,32,431	20,53,64,762
(b) Financial Assets			
(i) Investments		0	0
(ii) Trade Receivables	7	33,56,27,054	0
(iii) Cash and cash equivalents	8	4,058	42,735
(iv) Bank balances other than (iii) above	9	1,54,79,398	3,39,266
(v) Loans		0	0
(vi) Others (to be specified)		0	0
(c) Current Tax Assets (Net)		1,43,078	3,63,499
(d) Other current assets	10	33,04,59,307	33,00,61,898
(e) Assets held for sale / assets included in disposal group / groups held for sale		0	0
<b>Total Current assets</b>		<b>84,79,45,326</b>	<b>53,61,72,160</b>
<b>Total Assets</b>		<b>3,04,52,14,920</b>	<b>2,65,01,66,933</b>





**Balaji Speciality Chemicals Private Limited**  
**Balance Sheet As at March 31, 2020**

2  
( Rupees )

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share capital	11	40,00,00,000	40,00,00,000
(b) Other Equity			
(i) Reserves and surplus	12	28,45,07,806	44,00,39,080
Share Application Money Pending for allotment		0	0
<b>Total Equity</b>		<b>68,45,07,806</b>	<b>84,00,39,080</b>
<b>LIABILITIES</b>			
<b>1. Non - current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	1,66,25,61,323	1,16,20,99,693
(ii) Trade payables	14	8,59,70,482	10,13,14,201
(iii) Other financial liabilities (other than those specified in item (b), to be specified)		0	0
(b) Provisions		0	0
(c) Deferred tax liabilities (Net)		0	0
(d) Other non-current liabilities	15	2,57,07,273	2,81,55,600
<b>Total Non - current liabilities</b>		<b>1,77,42,39,078</b>	<b>1,29,15,69,494</b>
<b>2. Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	19,11,47,394	12,57,99,433
(ii) Trade payables	17	20,14,51,244	1,63,63,303
(iii) Other financial liabilities (other than those specified in item (c))	18	18,92,54,354	37,31,50,249
(b) Other current liabilities	19	5,99,622	3,09,307
(c) Provisions	20	40,15,422	29,36,067
(d) Current Tax Liabilities (Net)		0	0
(e) Liability classified as held for sale / liability included in disposal group / groups held for sale		0	0
<b>Total Current liabilities</b>		<b>58,64,68,036</b>	<b>51,85,58,359</b>
<b>Total Liabilities</b>		<b>2,36,07,07,114</b>	<b>1,81,01,27,853</b>
<b>Total Equity and Liabilities</b>		<b>3,04,52,14,920</b>	<b>2,65,01,66,933</b>
Significant Accounting Policies and other disclosures	1		

As per our report of even date

For Pandhare & Co.,  
Chartered Accountants,  
FRN 107292W

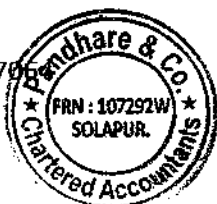
For Balaji Speciality Chemicals Pvt.Ltd.

*(Signature)*

N.Rajeshwar Reddy  
Managing Director  
DIN: 00003854

*(Signature)*  
D.Ram Reddy  
Director  
DIN: 00003864

CA S.B.Pandhare  
Partner, M No.016834  
UDIN:20016834AAAAA1706  
Date : 19.06.2020  
Place : Solapur

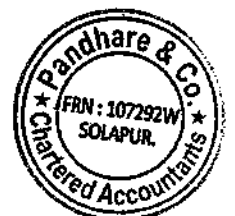


*(Signature)*  
Jimisha Parth Dawda  
Company Secretary

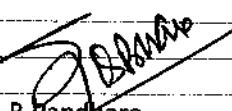
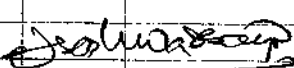
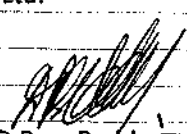
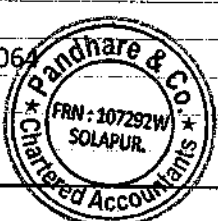
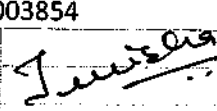
## BALAJI SPECIALITY CHEMICALS PVT. LTD.



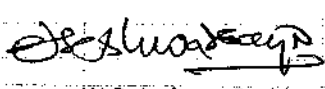
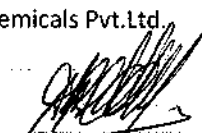
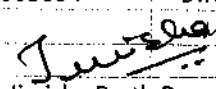
## STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2020

Particulars	Note No.	( Rupees )	
		Year Ended March 31, 2020	Year Ended March 31, 2019
I Revenue from operations	21	53,89,20,344	12,60,957
II Other income	22	18,09,242	0
III Net Gain on derecognition of financial assets at amortized cost		0	0
IV Net Gain on reclassification of financial assets		0	0
<b>V Total Revenue (I+II+III+IV)</b>		<b>54,07,29,586</b>	<b>12,60,957</b>
<b>VI EXPENSES</b>			
1. Cost of Material Consumed	23	52,97,53,187	6,64,368
2. Changes in inventories of finished goods and work-in-progress	24	-13,13,82,445	0
3. Employee benefits expense	25	1,39,59,791	0
4. Finance costs	26	15,56,29,109	0
5. Depreciation and amortization expenses	2	7,44,15,887	0
6. Other expenses	27	11,71,57,115	5,57,509
<b>Total Expenses (VI)</b>		<b>75,95,32,644</b>	<b>12,21,877</b>
<b>VII Profit/(Loss) before exceptional items and tax (V - VI)</b>		<b>-21,88,03,058</b>	<b>39,080</b>
VIII Exceptional items		0	0
<b>IX Profit/(Loss) before tax (VII - VIII)</b>		<b>-21,88,03,058</b>	<b>39,080</b>
X Tax Expenses:			
1. Current Tax		0	0
2. Deferred Tax		-6,26,27,067	0
3. Adjustments of earlier year tax provisions		-6,50,000	0
<b>XI Profit/(Loss) for the period from continuing operations (IX - X)</b>		<b>-15,55,25,991</b>	<b>39,080</b>
XII Profit/(Loss) from discontinued operations		0	0
XIII Tax expense of discontinued operations		0	0
XIV Profit/(Loss) from discontinued operations (after tax) (XII - XIII)		0	0
<b>XV Profit/(Loss) for the period (XI + XIV)</b>		<b>-15,55,25,991</b>	<b>39,080</b>
XVI Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		0	0
(ii) Income tax relating to items that will not be reclassified to profit or loss		0	0
B (i) Items that will be reclassified to profit or loss		0	0
(ii) Income tax relating to items that will be reclassified to profit or loss		0	0
<b>XVII Total Comprehensive Income for the period (XV + XVI) (Comprising Profit/(Loss) and other Comprehensive Income for the period)</b>		<b>-15,55,25,991</b>	<b>39,080</b>



**BALAJI SPECIALITY CHEMICALS PVT. LTD.**  
**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2020**

Particulars	Note No.	( Rupees )	
		Year Ended March 31, 2020	Year Ended March 31, 2019
<b>XVIII Earning per equity share (for continuing operation):</b>			
(1) Basic		-3.89	0.00
(2) Diluted		-3.89	0.00
<b>XIX Earning per equity share (for discontinued operation):</b>			
(1) Basic		0.00	0.00
(2) Diluted		0.00	0.00
<b>XX Earning per equity share (for discontinued &amp; continuing operations)</b>			
(1) Basic		-3.89	0.00
(2) Diluted		-3.89	0.00
Significant Accounting Policies and other disclosures	<b>1</b>		
As per our report of even date			
For Pandhare & Co., Chartered Accountants, FRN 107292W		For Balaji Speciality Chemicals Pvt.Ltd.	
			
CA S.B. Pandhare Partner, M No.016834 UDIN:20016834AAAAAI7064 Date : 19.06.2020 Place : Solapur		N.Rajeshwar Reddy Managing Director DIN: 00003854	D. Ram Reddy Director DIN: 00003864
			
		Jimisha Parth Dawda Company Secretary	

<b>BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED</b>		
<b>CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020</b>		
( Rupees )		
Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>A. Cash Flow from Operating Activities</b>		
Profit before Depreciation, Interest and Tax	-6,31,73,949	39,080
Depreciation	7,44,15,887	0
Less : Other Income considered separately	-18,09,242	0
Net	94,32,696	39,080
Increase (-)/ Decrease (+) in Inventories	3,91,32,331	-20,53,64,762
Increase (-)/ Decrease (+) in Trade Receivables	-33,56,27,054	0
Increase (-)/ Decrease (+) in Other Current Assets	-1,76,988	-25,95,73,021
Increase (+)/ Decrease (-) in Current Liabilities	25,27,57,401	14,77,16,217
Income Taxes Paid (Net of Refund)	6,50,000	
<b>Total A. Cash Flow from Operating Activities</b>	<b>-3,38,31,614</b>	<b>-31,71,82,486</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	-10,16,77,352	-1,51,96,13,430
Increase (-)/ Decrease (+) in Other Financial Assets	0	-18,09,255
Increase (-)/ Decrease (+) in Non Current Assets	66,13,710	40,40,32,194
Other Income	18,09,242	0
<b>Total B. Cash Flow from Investing Activities</b>	<b>-9,32,54,400</b>	<b>-1,11,73,90,491</b>
<b>C. Cash Flow from Financial Activities</b>		
Proceeds from Non-Current Borrowings	67,69,00,000	1,16,48,37,947
Repayments of Non-Current Borrowings	-36,12,86,093	0
Interest paid	-15,56,29,109	0
Increase (+)/ Decrease (-) in Non Current Liabilities	-1,77,97,329	2,88,24,639
<b>Total C. Cash Flow from Financial Activities</b>	<b>14,21,87,469</b>	<b>1,19,36,62,586</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>1,51,01,455</b>	<b>-24,09,10,391</b>
Cash and Cash Equivalents at the Beginning of the Year	3,82,001	24,12,92,392
Cash and Cash Equivalents at the End of the Year	1,54,83,456	3,82,001
Increase / (Decrease) in Cash and Cash Equivalents (closing minus opening balances)	1,51,01,455	-24,09,10,391
For Pandhare & Co., Chartered Accountants, FRN 107292W  (CA S.B. Pandhare) Partner MNo.016834 UDIN:20016834AAAAAI7064 Date : 19.06.2020 Place : Solapur		For Balaji Speciality Chemicals Pvt.Ltd.  N. Rajeshwar Reddy Managing Director DIN: 00003854  D. Ram Reddy Director DIN: 00003864  Jimisha Parth Dawda Company Secretary

**BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2020**

Equity Share Capital Balance at the beginning of the reporting period	Changes in equity share capital during the period	Balance at the end of the reporting period
Rs.	Rs.	Rs.
40,00,00,000	0	40,00,00,000

**Instruments entirely equity in nature**

Particulars	Rs.
1. Compulsorily Convertible Preference Shares	NIL
2. Compulsorily Convertible Debentures	NIL
3. Any other instrument entirely equity in nature	NIL

The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital

NIL

**Shares in respect of each class in the company**

Particulars	No. of shares
1. Holding company	2,20,00,000
2. Subsidiaries of its holding company	0
3. Subsidiaries of its ultimate holding company	0
4. Associates of its holding company	0
5. Associates of its ultimate holding company	0

Par value of shares

Rs. 10

The company has only one class of shares i.e. Equity Shares.

**Details of shareholders holding more than 5% shares of the company for the year ended 31.03.2020 & 31.03.2019**

Sl. No.	Name of the Shareholder	No. of Shares	Percentage
1.	Ande Srinivas Reddy	36,00,000	9.00%
2.	Balaji Speciality Fine Chem Products Pvt.Ltd.	43,00,000	10.75%
3.	Balaji Amines Limited	2,20,00,000	55.00%

During the five years immediately preceding the current financial year, the company has not issued any shares without payment being received in cash, nor issued any bonus shares. The company did not buy back any shares during the said period.

Shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment, including the terms and amounts:

NIL



For the period of five years immediately preceding the date as at which the Balance Sheet is prepared:

Particulars		Rs.	
1. Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.		NIL	
2. Aggregate number and class of shares allotted as fully paid up by way of bonus shares		NIL	
3. Aggregate number and class of shares bought back		NIL	
Terms of any securities convertible into equity/preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date		NIL	
Calls unpaid		NIL	
Forfeited shares		NIL	
<b>Reserves &amp; Surplus</b>			
Particulars		As on March 31, 2020	As on March 31, 2019
1. Capital Reserves		NIL	NIL
2. Capital Redemption Reserve		NIL	NIL
3. Debenture Redemption Reserve		NIL	NIL
4. Share Options Outstanding Account		NIL	NIL
5. Security Premium Account		44,00,00,000	44,00,00,000
6. Profit and Loss Account		-15,54,86,911	39,080
7. Transitional Provision of Ind AS 116		-5,283.00	0.00

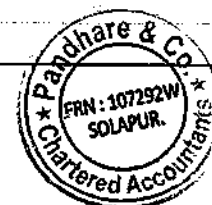


**Balaji Speciality Chemicals Private Limited**  
**Notes forming part of the Financial Statements**

8

( Rupees )

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Note 3 : Capital work in progress</b>		
Land & Site Developments		54,86,888
Leasehold Land (MIDC)		84,34,440
Buildings		25,09,51,988
Plant & Machinery		1,66,31,52,218
Misc Fixed Assets		18,96,545
Interest, Processing Fees on Term Loan to be capitalised		10,51,77,084
Pre-operative Exps.		5,09,00,173
EDA Project - at the beginning of the year	2,08,59,99,336	
Expenditure incurred during the year	8,58,29,468	
Less: Capitalised / Put to use during the year	2,17,18,28,804	
Less : Transferred to Lease hold Land	0	
<b>Total</b>	<b>0</b>	<b>2,08,59,99,336</b>
<b>Note 4 : Others</b>		
Deposit with Government Departments	95,95,500	95,95,500
Others-Security Deposits	18,97,275	18,97,275
<b>Total</b>	<b>1,14,92,775</b>	<b>1,14,92,775</b>
<b>Note 5 : Other non-current assets</b>		
Advances		
Capital advances recoverable within one year		32,52,845
Advances to Related Parties	0	0
Preliminary Exps.	43,51,378	53,72,022
<b>Balance with Scheduled Banks</b>		
In Margin money deposits (towards margin bank guarantees issued by banks.)	55,37,573	78,77,795
<b>Total</b>	<b>98,88,951</b>	<b>1,65,02,662</b>
<b>Note 6 : Inventories</b>		
<b>[As verified, valued and certified by the Management]</b>		
Raw Material	1,14,08,732	18,08,63,595
Work-in-Process	2,25,84,995	
Finished Goods	10,87,97,450	
Goods-in-transit / at Bonded Warehouse	58,15,460	
Stores, Spares	65,55,021	
Packing Materials	24,37,724	4,20,619
Fuel & Others etc.	86,33,049	2,40,80,548
<b>Total</b>	<b>16,62,32,431</b>	<b>20,53,64,762</b>
Inventories Pledged as security is same as the Closing Stock of Inventories		

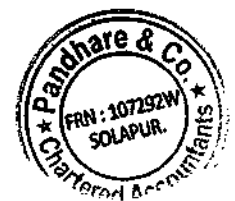


Particulars	As at March 31, 2020	As at 9 March 31, 2019
<b>Note 7 : Trade Receivables</b>		
(Unsecured and considered good)		
- From Related Parties	0	0
- From Others	33,56,27,054	0
<b>Total</b>	<b>33,56,27,054</b>	<b>0</b>
<b>Note 8 : Cash and cash equivalents</b>		
Cash in hand	4,058	42,735
<b>Total</b>	<b>4,058</b>	<b>42,735</b>
<b>Note 9 : Bank balance other than above</b>		
<b>Balance with Scheduled Banks</b>		
In Current Accounts	1,47,39,672	3,39,266
In Margin money deposits (towards margin bank guarantees issued by banks.)	7,39,726	
<b>Total</b>	<b>1,54,79,398</b>	<b>3,39,266</b>
<b>Note 10 : Other current Assets</b>		
Balance with Revenue Authorities	32,90,46,387	32,99,87,475
Advances to Suppliers other than Capital Advances	62,471	30,404
Advances to Related Parties	0	0
Others - Short Term Loans & Advances	13,50,449	44,019
<b>Total</b>	<b>33,04,59,307</b>	<b>33,00,61,898</b>
<b>Note 11 : Equity share capital</b>		
<b>a. Authorised</b>		
4,50,00,000 Equity Shares of Rupees 10/- each	45,00,00,000	45,00,00,000
	45,00,00,000	45,00,00,000
<b>b. Issued, subscribed &amp; paid up</b>		
40000000 Equity Shares of Rs. 10/- each fully paid up	40,00,00,000	40,00,00,000
<b>Total</b>	<b>40,00,00,000</b>	<b>40,00,00,000</b>
<b>c. Par value of shares</b>	10/-	10/-
<b>d. Number of shares outstanding at beginning of the year</b>	4,00,00,000	4,00,00,000
Changes during the year	0	0
<b>Number of shares outstanding at end of the year</b>	4,00,00,000	4,00,00,000
<b>Note 12 : Other Equity - Reserves and Surplus</b>		
A) Share Premium Account	44,00,00,000	44,00,00,000
<b>Total A</b>	<b>44,00,00,000</b>	<b>44,00,00,000</b>
B) General Reserve		
At the beginning of the year	0	0
Add : Transfer from statement of Profit and Loss	0	0
<b>Total B</b>	<b>0</b>	<b>0</b>
C) Balance in Statement of Profit and Loss brought forward from previous year	39,080	0
Add : Profit for the year	-15,55,25,991	39,080
Less : Transitional Provision Effect of Ind AS116 for Right Of Use Leasehold Office Premises & Lease Liability On Leasehold Office Balaji Amines	-5,283	
<b>Balance in Statement of Profit &amp; Loss at the end of year Total</b>	<b>-15,54,92,194</b>	<b>39,080</b>
<b>Total other equity (A + B + C)</b>	<b>28,45,07,806</b>	<b>44,00,39,080</b>

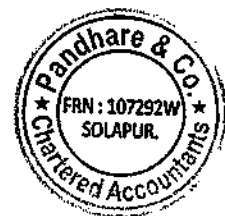




Particulars	As at March 31, 2020	As at March 31, 2019
<b>Note 13 : Borrowings</b>		
<b>1. Secured</b>		
<b>Term loans</b>		
(i) HDFC Bank Ltd	81,06,06,061	41,66,66,670
(ii) Bank of Baroda	34,84,78,415	41,66,53,415
<b>2. Unsecured</b>		
<b>(a) Term Loan</b>		
<b>From Banks</b>	0	0
<b>From Other Parties</b>		
(i) Balaji Amines Limited	46,34,76,847	32,87,79,608
(ii) A. Prathap Reddy	4,00,00,000	0
<b>Total</b>	<b>1,66,25,61,323</b>	<b>1,16,20,99,693</b>
<b>Note 14 : Trade payables</b>		
Creditors for MSME	0	35,86,839
Creditors Other than MSME	8,59,70,482	9,77,27,362
<b>Total</b>	<b>8,59,70,482</b>	<b>10,13,14,201</b>
<b>Note 15 : Other non-current liabilities</b>		
Deferred Revenue Export Benefits	2,57,07,273	2,81,55,600
<b>Total</b>	<b>2,57,07,273</b>	<b>2,81,55,600</b>
<b>Deferred Revenue Export Benefits</b>		
Deferred revenue includes Rs 2.57 crores as at March 31, 2020 (Rs 2.82 crores as at March 31, 2019) grants relating to plant and equipment related to duty saved on import of capital goods and spares under the Export Promotion Capital Goods (EPCG) scheme. Under such scheme, the Company is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the regulatory authorities.		
<b>Note 16: Borrowings</b>		
<b>a. Secured</b>		
<b>Towards working capital - Repayable on demand</b>		
(i) HDFC Bank	19,11,47,394	12,57,99,433
<b>Total</b>	<b>19,11,47,394</b>	<b>12,57,99,433</b>
<b>Note 17 : Trade payables</b>		
Creditors for Raw Materials	2,73,05,650	1,60,34,687
Others - Balaji Amines Ltd.	16,97,24,084	0
Creditors for MSME	44,21,510	3,28,616
<b>Total</b>	<b>20,14,51,244</b>	<b>1,63,63,303</b>



Particulars	As at March 31, 2020	As at 11 March 31, 2019
<b>Note 18 : Other financial liabilities</b>		
(a) Current maturities of long term debt from banks payable within twelve months	18,18,10,606	36,66,58,330
(b) Current maturities of finance lease obligations	0	0
(c) Interest accrued but not due on borrowings	74,08,580	49,53,629
(d) Interest accrued and due on borrowings	0	0
(e) Income received in advance	0	0
(f) Unpaid dividends	0	0
(g) Application money received for allotment of securities and due for refund and interest accrued thereon	0	0
(h) Unpaid matured deposits and interest accrued thereon	0	0
(i) Unpaid matured debentures and interest accrued thereon	0	0
(j) Other payables	35,168	15,38,290
<b>Total</b>	<b>18,92,54,354</b>	<b>37,31,50,249</b>
<b>Note 19 : Other current liabilities</b>		
<b>(a) Statutory remittances:</b>		
TDS Payable	5,85,997	2,98,007
Professional Tax	13,625	11,300
<b>Total</b>	<b>5,99,622</b>	<b>3,09,307</b>
<b>Note 20 : Provisions</b>		
<b>(a) Provision for employee benefits:</b>		
Salaries	12,36,479	8,79,829
Provident Fund	2,46,713	1,71,550
Employees State Insurance	47,163	50,682
<b>(b) Provision – Others</b>		
Others	24,85,067	18,34,006
<b>Total</b>	<b>40,15,422</b>	<b>29,36,067</b>





Balaji Speciality Chemicals Private Limited										
Annexure to Note 11: Borrowings - Long Term Loan Details										
Name of Financial Institution	Amount of Loan	Rate of Interest	Tenure of Loan (Months)	Date of Maturity	Classification of Loan	Nature of Security	Terms of Repayment	Whether Demand Loan?	Whether loan is default?	Personal Guarantee by Directors / Others
Bank of Baroda - Term Loan- 2534600000589	49,99,78,415	9.45%	66	31/01/25	Secured	1. 1st pari passu charge with HDFC Bank on entire fixed asset, land and building and plant & machinery (present & future) located at Plot no. E-8/1, MIDC Chincholi Solapur of the company created / to be created out of the proposed project outlay of Rs. 163.50 Crs. 2. 2nd pari passu charge with HDFC Bank of entire current assets of the company (both present & future). Personal Guarantee of Mr. A Prathap Reddy, Mr. N. Rajeshwar Reddy, Mr. D. Ram Reddy, Mr. G. Hemanth Reddy, Mr. A. Srinivas Reddy 3. Corporate Guarantee of M/s. Balaji Amines Limited (company to ensure compliance of applicable provisions of the Companies Act, 2013).	Monthly	Yes	No	Yes
HDFC Bank Ltd. - Term Loan - 007LN06172820001	50,00,00,000	9.45%	66	09/01/25	Secured	1. First pari passu charge on fixed asset, land and building and plant & machinery located at Plot no. E-8/1, MIDC Chincholi Solapur 2. Personal Guarantee of Mr. A Prathap Reddy, Mr. N. Rajeshwar Reddy, Mr. D. Ram Reddy, Mr. G. Hemanth Reddy, Mr. A. Srinivas Reddy (Post generation of positive cash flow in Balaji Speciality Chemicals Pvt. Ltd. Personal Guarantee clause as part of Security would be relooked upon) 3. Corporate Guarantee of M/s. Balaji Amines Limited (company to ensure compliance of applicable provisions of the Companies Act, 2013). 4. Second pari passu charge on current assets of the Company.	Monthly	Yes	No	Yes
HDFC Bank Ltd. - Term Loan - 007LN06193340003	50,00,00,000	9.45%	66	30/05/26	Secured		Monthly	Yes	No	Yes
Term loan from other parties										
Name of Financial Institution	Amount of Loan	Rate of Interest	Tenure of Loan (Months)	Date of Maturity	Classification of Loan	Nature of Security	Terms of Repayment	Whether Demand Loan?	Whether loan is default?	Personal Guarantee by Directors / Others
Balaji Amines Ltd - Parent company	46,34,76,847	9.50%	36	28/09/21	Unsecured			No	No	No
Ande Prathap Reddy	4,00,00,000	9.00%	Not Defined	NA	Unsecured			No	No	No

## Related party transactions

a) Name of Related Party where Control exists and also where transactions have taken place during the year

Name	Type
Balaji Amines Limited.	Parent Holding Company.
MVL Medisynth Pvt. Ltd.	Co where relatives of KMP are interested
Thirumala Precicasts Pvt. Ltd.	Company in which Directors are interested
Shri. A Prathap Reddy	Key Management Personnel (KMP)
Shri.N Rajeshwar Reddy	Key Management Personnel (KMP)
Shri.D Ram Reddy	Key Management Personnel (KMP)
Shri.G Hemanth Reddy	Key Management Personnel (KMP)
Shri.A Srinivas Reddy	Key Management Personnel (KMP)
Shri.Kashinath Dhole	Key Management Personnel (KMP)
Shri.Rajendra Tapadia	Key Management Personnel (KMP)
Jimisha Parth Dawda	Key Management Personnel (KMP)

b) Key Management personnel compensation

Particulars	(Rupees)	
	2019-20	2018-19
Short-term employee benefits	0	0
Post-Employment benefits	0	0
Long-Term employee benefits	0	0
Termination benefits	0	0
Employee shared based payments	0	0
<b>Total compensation</b>	<b>0</b>	<b>0</b>

c) Transactions with related parties

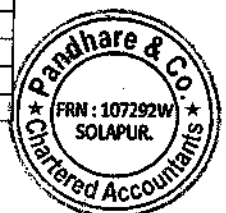
Particulars	(Rupees)		Relationship
	2019-20	2018-19	
<b>Balaji Amines Limited.</b>			
Purchase of Goods & Services	39,58,41,225	8,00,08,106	Holding Company
Sale of Goods & Services	4,07,70,546	14,87,929	Holding Company
Lease Rent of Office	70,800	59,000	Holding Company
Interest Charged	5,39,07,718	99,16,601	Holding Company
Loan accepted in the year	1,43,69,00,000	32,65,76,847	Holding Company
Loan Repayment in the year	1,30,00,00,000	0	Holding Company
<b>MVL Medisynth Pvt. Ltd.</b>			Co where relatives of KMP are interested
Purchase of Goods & Services	43,82,697	0	Co where relatives of KMP are interested
Sale of Goods & Services	23,90,562	0	Co where relatives of KMP are interested

d) Outstanding balances

Particulars	(Rupees)		Relationship
	31 March 2020	31 March 2019	
<b>Balaji Amines Limited.</b>			
Equity Share capital	22,00,00,000	22,00,00,000	Holding Company
Trade payables	16,97,24,084	0	Holding Company

e) Loans from related parties

Particulars	(Rupees)		Relationship
	2019-20	2018-19	
<b>Balaji Amines Limited.</b>			
Beginning of the year	32,65,76,847	0	Holding Company
Loans advanced	1,43,69,00,000	32,65,76,847	
Loan repayment received	1,30,00,00,000	0	
Interest charged	5,39,07,718	99,16,601	
Interest received	0	0	
End of the year	46,34,76,847	32,65,76,847	
<b>Ande Prathap Reddy</b>			Key Management Personnel (KMP)
Beginning of the year	0	0	
Loans advanced	4,00,00,000	3,50,00,000	
Loan repayment received	0	3,50,00,000	
Interest charged	22,93,215	2,63,835	
Interest received	0	0	
End of the year	4,00,00,000	0	



## Leases

### Change in Accounting Policy

Except as specified below, the company has consistently applied the accounting policies to all periods presented in this financial statement. The company has applied Ind AS 116 with the date of initial application of 1st April, 2019. As a result, the company has changed its accounting policy for lease contracts as detailed below.

The company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1st April, 2019.

(Rupees)	
Particulars	Amount
Lease commitments as at 31 March 2019	1,12,533
Add/(less): contracts reassessed as lease contracts	0
Add/(less): adjustments on account of extension/termination	0
<b>Lease liabilities as on 1 April 2019</b>	<b>1,12,533</b>
Current lease liability	1,12,533
Non current lease liabilities	0

Right of use assets of Rs. 1,07,250/- and lease liabilities of Rs. 1,12,533/- have been recognised as on 01 April 2019.

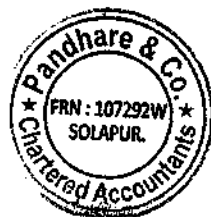
The impact of change in accounting policy on account on adoption of Ind AS 116 is as follows :

(Rupees)	
Particulars	Amount
Decrease in Property Plant and equipment by	
Increase in lease liability by	1,12,533
Increase in rights of use by	1,07,250
Increase in Deferred tax assets by	39
Increase in finance cost by	10,634
Increase in depreciation by	49,500

### (A) Additions to right of use assets

Property, plant and equipment comprises owned and leased assets that do not meet the definition of investment property.

(Rupees)		
Particulars	As at March 31, 2020	As at March 31, 2019
Property, plant and equipment owned		
Right-of-use assets, except for investment property	57,750	0



## (B) Carrying value of right of use assets at the end of the reporting period by class

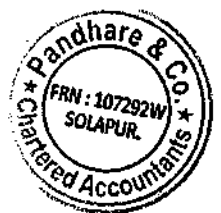
Particulars	(Rupees)	
	Amount	
Balance at 1 April 2019	1,07,250	
Depreciation charge for the year	49,500	
Balance at 31 March 2020	57,750	

## (C) Maturity analysis of lease liabilities

Maturity analysis – contractual undiscounted cash flows	(Rupees)	
	As at March 31, 2020	As at March 31, 2019
Less than one year	60,000	60,000
One to five years	10,000	70,000
More than five years	0	0
<b>Total undiscounted lease liabilities at 31 March 2020</b>	<b>70,000</b>	<b>1,30,000</b>
Lease liabilities included in the statement of financial position at 31 March 2020	63,167	0
Current	63,167	0
Non-Current	0	0

## (D) Amounts recognised in profit or loss

Particulars	(Rupees)	
	2019-20	2018-19
Interest on lease liabilities	10,634	0
Variable lease payments not included in the measurement of lease liabilities	0	0
Income from sub-leasing right-of-use assets	0	0
Expenses relating to short-term leases	0	0
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	0	0



**Balaji Speciality Chemicals Private Limited**

**Disclosures under Accounting Standards**

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**Details of government grants/ subsidy**

Sr. No.	Particulars	Rs.
1	Benefit under EPGC on import of PPE	24,48,327
2	Export Benefit under Duty Draw Back (DBK) Scheme	1,67,086

**Details of borrowing costs capitalised**

Sr. No.	Particulars	Rs.
1	Borrowing costs capitalised during the year	
	- as fixed assets / intangible assets / capital work-in-progress	2,55,36,866
	- as inventory	0

**Details of leasing arrangements**

A The Company has entered into operating lease arrangements with MIDC . The lease is for a period of 95 years from 01.12.2011 .

Sr. No.	Particulars	Rs.
1	Future minimum lease payments	
	- not later than one year	1
	- later than one year and not later than five years	4
	- later than five years	81

**Details of Provisions**

Sr. No.	Particulars	Rs.
a.	Provision for onerous contracts	NIL
b.	Provision for executory contracts	NIL
c.	Provision for restructuring cost	NIL

**Details of Contingent Assets**

Sr. No.	Particulars	Rs.
a.	Contingent Assets	NIL

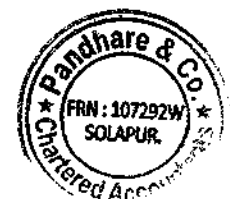


<b>CONTINGENT LIABILITIES AND COMMITMENT</b>		
<b>Contingent liabilities</b>		17
<b>Sr. No.</b>	<b>Particulars</b>	<b>Rs.</b>
1	Claims against the company not Acknowledged as debt	NIL
2	Guarantee	NIL
3	Other Money for which company is contingently liable	NIL
<b>Commitments</b>		
<b>Sr. No.</b>	<b>Particulars</b>	<b>Rs.</b>
1	Estimated amount of contracts remaining to be executed on capital account and not provided for	NIL
2	Uncalled liability on shares and other investments partly paid	NIL
3	Other commitments (specify nature)	NIL
<b>Inventories</b>		
Inventory includes raw materials, Stores and Spares and packing materials		
<b>Sr. No.</b>	<b>Particulars</b>	<b>Rs.</b>
1	Total carrying amount of inventories	16,62,32,431
2	Cost formula	FIFO
3	Amount of inventories recognised as an expense during the period;	NIL
4	The amount of any write-down of inventories recognised as an expense	NIL
5	Carrying amount of inventories pledged as security for liabilities	16,62,32,431
<b>Payment to Auditor</b>		
<b>Sr. No.</b>	<b>Particulars</b>	<b>Rs.</b>
1	As auditors - statutory and tax audit	2,00,000
2	For taxation matters, company law matter	0
3	Management services, other services, reimbursement	0

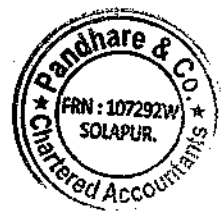




<b>Balaji Speciality Chemicals Private Limited</b>		
<b>Notes forming part of the Financial Statements</b>		
Particulars	( Rupees )	
	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Note 21 : Revenue From Operations</b>		
Sale of Speciality Chemicals (including Export Benefits)	54,00,45,944	6,86,565
Sale of Raw Materials	0	5,74,392
Less : Sales Return	11,25,600	0
<b>Total</b>	<b>53,89,20,344</b>	<b>12,60,957</b>
<b>Total Revenue from operations ( Net )</b>	<b>53,89,20,344</b>	<b>12,60,957</b>
<b>Note 22 : Other Income</b>		
Interest on Security Deposit	10,33,030	0
Notice Pay	52,493	0
Pradhan Mantri Rojgar Protsahan Yojna (PMRPY)	2,80,085	0
Interest on FDR	3,97,783	0
Miscellaneous Income	45,851	0
<b>Total</b>	<b>18,09,242</b>	<b>0</b>
<b>Total</b>	<b>18,09,242</b>	<b>0</b>
<b>Note 23 : Cost of material consumed</b>		
Opening Stock	18,08,63,595	0
Add: Purchases		
Raw Material - Domestic	36,60,10,313	8,34,40,286
Raw Material - Imports CIF Value	13,47,371	9,80,87,677
<b>Sub- Total</b>	<b>54,82,21,279</b>	<b>18,15,27,963</b>
Less : EDA capitalized	70,59,360	0
<b>Sub- Total</b>	<b>54,11,61,919</b>	<b>18,15,27,963</b>
Less : Closing Stock	1,14,08,732	18,08,63,595
<b>Total</b>	<b>52,97,53,187</b>	<b>6,64,368</b>
<b>Net Total</b>	<b>52,97,53,187</b>	<b>6,64,368</b>
<b>Note 24 : Changes in Inventories of Finished Goods &amp; Work in Process</b>		
<b>(a) Opening Stock</b>		
Finished Goods	0	0
Work-in -process	0	0
<b>Sub- Total (a)</b>	<b>0</b>	<b>0</b>
<b>(b) Closing Stock</b>		
Finished Goods	10,87,97,450	0
Work-in -process	2,25,84,995	0
<b>Sub- Total (b)</b>	<b>13,13,82,445</b>	<b>0</b>
<b>Difference of (a) and (b) Increase (-) / Decrease(+)</b>	<b>-13,13,82,445</b>	<b>0</b>
<b>Note 25 : Employee benefits</b>		
Salaries,Wages and other allowances	1,21,85,420	0
Contribution to Provident Fund	12,05,385	0
Contribution to Employees State Insurance	3,36,331	0
Contribution to Labour Welfare Fund	3,888	0
Staff Welfare Expenses	2,28,767	0
<b>Total</b>	<b>1,39,59,791</b>	<b>0</b>
<b>Total</b>	<b>1,39,59,791</b>	<b>0</b>



Notes forming part of the Financial Statements		
		( Rupees )
Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Note 26 : Finance Cost</b>		
Interest on Working Capital Borrowings	1,05,59,321	0
Interest on Term loan	13,90,85,528	0
Processing Charges	57,95,179	0
Interest Cost On Leases As Per Ind AS116	10,634	0
Bank Charges	1,78,447	0
<b>Total</b>	<b>15,56,29,109</b>	<b>0</b>
<b>Total</b>	<b>15,56,29,109</b>	<b>0</b>
<b>Note 27: Other Expenses</b>		
<b>a) Manufacturing Expenses</b>		
i) Power and Fuel	8,02,12,401	0
ii) Stores, Spares Consumed	5,32,625	0
iii) Repairs & Maintenance - Plant & Machinery	2,88,737	0
iv) Repairs & Maintenance - Building & Other	3,610	0
<b>b) Selling &amp; Distribution Expenses</b>		
i) Advertisement, Publicity & Sales Promotion	41,23,965	0
ii) Discount on Sales	1,14,755	0
iii) Outward Freight	1,13,40,073	0
iv) Packing & Forwarding	64,44,452	5,57,509
v) Other Selling & Distribution	1,52,226	0
<b>c) Administrative &amp; General Expenses</b>		
i) Rates & Taxes	36,07,297	0
ii) Remuneration to Directors	0	0
iii) Foreign Exchange Fluctuations Loss / (Gain)	64,97,363	0
iv) Auditors Remuneration	2,00,000	0
v) Other Expenses	16,26,393	0
vi) Preliminary Expenses written off	10,87,844	0
<b>d) Insurance</b>		
i) Raw Material & Finished Goods	9,25,374	0
<b>Total</b>	<b>11,71,57,115</b>	<b>5,57,509</b>



<b>Balaji Speciality Chemicals Private Limited</b>		
<b>Balance Sheet - Sub-Notes As at 31.03.2020</b>		
<b>A. Term Loan From Banks - Secured</b>		(Rupees)
Particulars	As at March 31, 2020	As at March 31, 2019
HDFC Bank Ltd. - Term Loan - 007LN06172820001		4,16,66,667
HDFC Bank Ltd. - Term Loan - 007LN06172840003		4,16,66,667
HDFC Bank Ltd. - Term Loan - 007LN06173030001		2,91,66,666
HDFC Bank Ltd. - Term Loan - 007LN06180390001		4,16,66,667
HDFC Bank Ltd. - Term Loan - 007LN06180510002		8,33,33,337
HDFC Bank Ltd. - Term Loan - 007LN06181450001		2,50,00,000
HDFC Bank Ltd. - Term Loan - 007LN06181480001		2,50,00,000
HDFC Bank Ltd. - Term Loan - 007LN06181640001		5,00,00,000
HDFC Bank Ltd. - Term Loan - 007LN06181790003		7,91,66,667
HDFC Bank Ltd. - Term Loan - 007LN06193340003	46,96,96,970	0
HDFC Bank Ltd. - Term Loan - 007LN06200350001	34,09,09,091	
Bank of Baroda - Term Loan- 2534600000589	34,84,78,415	41,66,53,415
<b>Total</b>	<b>1,15,90,84,476</b>	<b>83,33,20,086</b>
<b>B. Working Capital - Loans Repayable on Demand</b>		
Particulars	As at March 31, 2020	As at March 31, 2019
HDFC Bank Ltd.	19,11,47,394	12,57,99,433
<b>Total</b>	<b>19,11,47,394</b>	<b>12,57,99,433</b>
<b>C. Interest accrued but not due on borrowings</b>		
Particulars	As at March 31, 2020	As at March 31, 2019
HDFC Bank Ltd. - Term Loan - 007LN06180390001		4,45,890
HDFC Bank Ltd. - Term Loan - 007LN06180510002		8,91,781
HDFC Bank Ltd. - Term Loan - 007LN06181450001		2,67,534
HDFC Bank Ltd. - Term Loan - 007LN06181480001		2,67,534
HDFC Bank Ltd. - Term Loan - 007LN06181640001		5,35,068
HDFC Bank Ltd. - Term Loan - 007LN06181790003		8,47,192
HDFC Bank Ltd. - Term Loan - 007LN06182400001		16,98,630
Bank of Baroda - Term Loan- 2534600000589	33,95,566	
HDFC Bank Ltd. - Term Loan - 007LN06193340003	40,13,014	0
<b>Total</b>	<b>74,08,580</b>	<b>49,53,629</b>
<b>D. Deposits with Government Departments</b>		
Particulars	As at March 31, 2020	As at March 31, 2019
State Electricity Board	95,95,500	95,95,500
<b>Total</b>	<b>95,95,500</b>	<b>95,95,500</b>



Balaji Speciality Chemicals Private Limited		
Balance Sheet - Sub-Notes As at 31.03.2020		
<b>E. Other Deposits</b>		
Particulars	As at March 31, 2020	As at March 31, 2019
Cylinder Deposit	5,100	5,100
Security Deposit – NSDL	1,50,000	1,50,000
Water Deposit	17,42,175	17,42,175
<b>Total</b>	<b>18,97,275</b>	<b>18,97,275</b>
<b>F. Other - Short Term Loans &amp; Advances</b>		
Particulars	As at March 31, 2020	As at March 31, 2019
Employees' advances	0	33,100
Prepaid Insurance	13,50,449	0
<b>Total</b>	<b>13,50,449</b>	<b>33,100</b>
<b>G. Balance with Revenue Authorities</b>		
Particulars	As at March 31, 2020	As at March 31, 2019
Income Tax Refund Receivable		0
IGST Refund Receivable on Deemed Export	44,59,719	0
IGST Refund Receivable on Export	15,97,822	0
CGST Receivable	8,56,49,414	5,02,14,083
SGST Receivable	8,17,78,047	4,63,42,716
IGST Receivable	15,46,24,136	23,24,46,255
Interest Receivable	9,29,730	9,84,421
MAT Credit Entitlement Receivable	7,519	0
<b>Total</b>	<b>32,90,46,387</b>	<b>32,99,87,475</b>
<b>H. Other Payables - Employees</b>		
Particulars	As at March 31, 2020	As at March 31, 2019
Salaries	12,36,479	8,79,829
<b>Total</b>	<b>12,36,479</b>	<b>8,79,829</b>
<b>I. Provision</b>		
Particulars	As at March 31, 2020	As at March 31, 2019
Provision of Taxation	0	6,50,000
<b>Provision – Others</b>		
Electricity Duty Payable	0	39,023
Telephone Charges	1,102	517
Water Charges	1,42,345	54,346
Electricity Payable	23,41,620	10,90,120
<b>Total</b>	<b>24,85,067</b>	<b>18,34,006</b>
<b>J. Other Payables</b>		
Particulars	As at March 31, 2020	As at March 31, 2019
<b>Security Deposits:</b>		
Maheshwari Constrosolution Pvt.Ltd.	0	11,36,277
Bhagwanrao Ishwar Muneshwar	0	17,308
Employees Co-op Society	20,300	0
Tejashri Construction	14,868	3,84,705
<b>Total</b>	<b>35,168</b>	<b>15,38,290</b>



<b>BALAJI SPECIALITY CHEMICALS PVT. LTD.</b>		
<b>Profit and Loss - Sub-Notes for the year ended 31.03.2020</b>		
<b>K. Power &amp; Fuel Consumed</b>		(Rupees)
Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Opening Stock	2,40,80,548	0
Add :		
Electricity Charges - Factory	3,04,72,760	0
Purchase of Coal	4,62,68,320	2,40,80,548
Sub - Total : A	<b>10,08,21,628</b>	<b>2,40,80,548</b>
Less : Coal capitalized	1,19,76,178	0
Sub - Total : B	<b>8,88,45,450</b>	<b>2,40,80,548</b>
Closing Stock	86,33,049	2,40,80,548
Sub - Total : C	<b>86,33,049</b>	<b>2,40,80,548</b>
Net Total : A - B - C	<b>8,02,12,401</b>	<b>0</b>
<b>L. Stores, Spares</b>		
Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Opening Stock	0	0
Add : Purchases	70,87,646	0
Sub - Total : A	<b>70,87,646</b>	<b>0</b>
Less :		
Closing Stock	65,55,021	0
Sub - Total : B	<b>65,55,021</b>	<b>0</b>
Net Total : A - B	<b>5,32,625</b>	<b>0</b>
<b>M. Packing Material</b>		
Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Opening Stock	4,20,619	0
Add : Purchases	84,61,557	9,78,128
Sub - Total : A	<b>88,82,176</b>	<b>9,78,128</b>
Less :		
Closing Stock	24,37,724	4,20,619
Sub - Total : B	<b>24,37,724</b>	<b>4,20,619</b>
Net Total : A - B	<b>64,44,452</b>	<b>5,57,509</b>
<b>N. Salaries, Wages &amp; other allowances</b>		
Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Aminities to Employee	1,25,501	0
Earned Leave Wages	21,087	0
Salaries - Production Staff	1,07,01,107	0
Salaries - Sales Department	1,32,264	0
Salaries - Office Staff	10,05,461	0
Leave Travel Assistance (LTA)	2,00,000	0
Total (A)	<b>1,21,85,420</b>	<b>0</b>
Total (A+B)	<b>1,21,85,420</b>	<b>0</b>

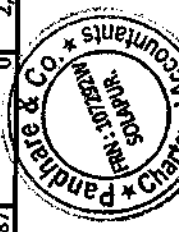


<b>O. Rates &amp; Taxes</b>		
Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Electricity Duty	2,066	0
Registration & Renewals	3,06,521	0
Rates & Taxes	2,98,710	0
Stamp Duty	30,00,000	0
<b>Total</b>	<b>36,07,297</b>	<b>0</b>
<b>P. Rent</b>		
Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Lease Rent	0	0
Rent, Rates & Taxes Office	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>Q. Advertisement, Publicity &amp; Sales Promotion Expenses</b>		
Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Commission to Sales Promoters	41,23,965	0
<b>Total</b>	<b>41,23,965</b>	<b>0</b>
<b>R. Other Expenses</b>		
Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Admin Charges - Provident Fund	1,00,550	0
Internal Audit Fees	1,20,000	0
GST Audit Fees	20,000	0
Effluent Treatment Expenses	88,466	0
Filing Fees	4,824	0
Gardening & Pollution Control Expenses	16,750	0
General Expenses	44,461	0
Inspection Charges	13,200	0
Legal, Professional & Consultancy Charges	10,28,440	0
Postage & Telegrams	2,79,402	0
Printing & Stationary	1,58,410	0
Retainership Fees	60,000	0
Safety Equipment Exps.	1,20,357	0
Software System Expenses	6,000	0
Telephone Charges	57,517	0
Travelling Expenses - Factory	18,411	0
Travelling Expenses - Office	10,141	0
TDS Expenses	11,284	0
Written Off Account	-5,31,820	0
<b>Total (A)</b>	<b>16,26,393</b>	<b>0</b>
<b>Total (A+B)</b>	<b>16,26,393</b>	<b>0</b>
<b>S. Other Selling &amp; Distribution Expenses</b>		
Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
ECGC Premium	43,716	0
Shortages	37,510	0
Testing Charges	71,000	0
<b>Total</b>	<b>1,52,226</b>	<b>0</b>



BALAJI SPECIALITY CHEMICALS PVT. LTD.  
Note 2 : Tangible Assets

Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.03.2019	Additions	Deletion	As at 31.03.2020	As at 31.03.2019	For the Period	Deletion	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020
	(Rupees)									
LEASEHOLD LAND (MIDC)		84,34,440	0	84,34,440		96,950	0	96,950	0	83,37,490
INTERNAL ROADS		36,21,670	0	36,21,670		2,73,354	0	2,73,354	0	33,48,316
LAND & SITE DEVELOPMENT		18,67,218	0	18,67,218		0	0	0	0	18,67,218
Land	0	1,39,23,328	0	1,39,23,328	0	3,70,304	0	3,70,304	0	1,35,53,024
Buildings										
BUILDING - ETHYLENEDIAMINE		27,69,20,833		27,69,20,833		69,65,006	0	69,65,006	0	26,99,55,827
FACTORY BUILDINGS		1,09,28,798		1,09,28,798		2,74,967	0	2,74,967	0	1,06,53,831
	0	28,78,49,631		28,78,49,631	0	72,39,973	0	72,39,973	0	28,06,09,658
Plant & Machinery										
PLANT & MACHINERY - BOILER		19,65,45,851		19,65,45,851		59,34,069	0	59,34,069	0	19,06,11,782
PLANT & MACHINERY - ETHYLENEDIAMINE		1,25,95,39,564		1,25,95,39,564		4,53,65,299	0	4,53,65,299	0	1,21,41,74,265
WEIGH BRIDGE		10,67,095		10,67,095		30,203	0	30,203	0	10,36,892
FIRE HYDRANT SYSTEM		36,78,156		36,78,156		1,10,313	0	1,10,313	0	35,67,843
PURCHASE IMPORT - ETHYLENEDIAMINE CATALYST		36,77,08,671		36,77,08,671		1,34,33,933	0	1,34,33,933	0	35,42,74,737
ELECTROSTATIC (ESP) PRECIPITATOR		1,35,25,139		1,35,25,139		4,08,348	0	4,08,348	0	1,31,16,791
	0	1,84,20,64,475	0	1,84,20,64,475	0	6,52,82,165	0	6,52,82,165	0	1,77,67,82,310
FURNITURES & FIXTURES										
FURNITURES & FIXTURES		9,02,179		9,02,179		67,927	0	67,927	0	8,34,251
AIR CONDITIONER		66,872		66,872		10,095	0	10,095	0	56,777
Total	0	9,69,051	0	9,69,051	0	78,022	0	78,022	0	8,91,028
Office Equipment										
OFFICE EQUIPMENTS		1,92,541		1,92,541		29,039	0	29,039	0	1,63,502
COMPUTER		3,66,212		3,66,212		90,963	0	90,963	0	2,75,249
	0	5,58,753	0	5,58,753	0	1,20,002	0	1,20,002	0	4,38,750
Others										
SAFETY EQUIPMENT		5,62,305		5,62,305		40,232	0	40,232	0	5,22,073
EFFLUENT TREATMENT EQUIPMENTS		4,16,41,896		4,16,41,896		12,35,688	0	12,35,688	0	4,04,06,207
RIGHT OF USE LEASEHOLD OFFICE PREMISES		1,07,250		1,07,250		49,500	0	49,500	0	57,750
	0	4,23,11,450	0	4,23,11,450	0	13,25,420	0	13,25,420	0	4,09,86,030
Total	0	2,18,76,76,688	0	2,18,76,76,688	0	7,44,15,887	0	7,44,15,887	0	2,11,32,60,801



**BALAJI SPECIALITY CHEMICALS PVT. LTD.**  
**YEAR ENDED MARCH 31, 2020**

**NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES AND OTHER DISCLOSURES – STANDALONE FINANCIAL STATEMENTS**

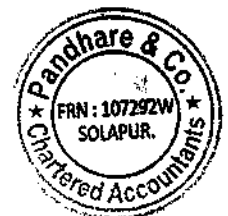
Balaji Speciality Chemicals Private Limited., is a Private Limited company. It is a subsidiary of Balaji Amines Limited ('BAL'), which is a Public Limited Company having its Registered Office at Solapur, Maharashtra, India. BAL has its primary listing on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE), in India. Balaji Speciality Chemicals Private Limited has set up a speciality chemical manufacturing unit with a plant capacity of 30,000 TPA. Speciality Chemical- products are of wide application variety of for industrial sector .

**Compliance with Indian Accounting Standards**

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) as notified under section 133 of the Companies Act 2013 (the Act), read with Companies (Indian Accounting Standard) Rules 2015. The company has uniformly applied all the applicable accounting policies during the periods presented.

• **System of Accounting:**

- i) The company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.
- ii) The financial statements have been prepared in all material respects with Indian Accounting Standards as relevant and notified by the Central Government.
- iii) The financial statements are prepared as a going concern and on historical cost basis except for certain financial assets and liabilities that are measured at fair value.





- **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. The Company recognises revenues on sale of products, net of discounts, sales incentives, rebates granted, returns, sales taxes/GST and duties when the products are delivered to customer or when delivered to a carrier for export sale, which is when title and risk and rewards of ownership pass to the customer.

Revenue from sales is recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell / consume the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

Interest income is recognized on accrual basis taking into account the amount outstanding and rate applicable.

- **Property, plant and equipment (PPE)**

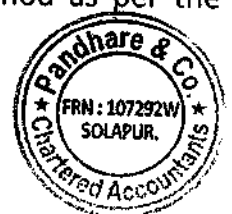
Property, plant and equipment acquired by the company are reported at acquisition value. The acquisition cost for this purpose includes the purchase price (net of duties and taxes which are recoverable in future) and expenses directly attributable to the asset to bring it to the site and in the working condition for its intended use.

The catalyst is an asset that facilitates the process that increases the future economic benefits, output efficiency expected from the plant. Accordingly, the catalyst is in the nature of a property, plant and equipment as contemplated in Ind AS 23. The technical know-how is integral to the plant which is required for installation of the plant is classified as PPE.

Land allotted by MIDC on long lease basis is treated as "Lease Hold Land" on the basis of possession leaser from MIDC (the Lessor), The one-time lump sum premium paid at the time of allotment is amortized over the period of the 88 year lease.

- **Depreciation**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013



The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

- **Investments**

Investments are stated at cost of acquisition.

- **Government grants, subsidies and export incentives**

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. Government grants/subsidy on purchase, construct or otherwise acquired capital assets would be presented by deducting them from the carrying value of the assets.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Nonmonetary grants are recognised and disclosed as 'deferred income' under non-current liability in the Balance Sheet and transferred to the Statement of Profit and Loss on a systematic and capitalised grant depreciated over the useful lives of the related assets.

- **Leases**

The company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

**As a lessee**

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.



The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

- **Employee benefits:**

- **Short-term employee benefits**

Wages and salaries, including non-monetary benefits that are expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

- **Post-employment benefits**

The Company's contribution to Provident Fund and Employees State Insurance are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made. Upto the end of reporting period, none of the employee has completed continuous service of 5 years as per the provisions of payment of Gratuity Act.

- **Tax expenses**

Accounting treatment in respect of deferred taxation and current tax is in accordance with Indian Accounting Standard 12 (Ind AS 12) - "Income Taxes"

- **Inventories**

Stock of raw materials, Stores and Spares and packing materials are valued at cost. Cost for this purpose, does not include duties/taxes that are recoverable in future.

Inventories includes stock of raw materials, stores and spares and packing materials, that are valued at the lower of cost on FIFO basis and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including other levies, transit insurance and receiving charges.



- **Borrowing Costs:**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

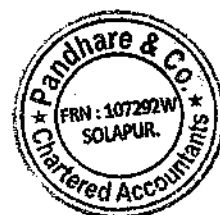
- **Foreign Currency Transactions:**

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which it operates.

Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction plus rupee one. Assets and Liabilities (other than non-monetary items), are translated at the exchange rate prevailing on the Balance Sheet date. Non-monetary items are carried at historical cost. Exchange differences arising out of these transaction are recognized to profit and loss account in the year except Exchange differences upto the date of commencement of production debited to preoperative expenses.

- **Impairment of Assets**

The carrying amounts of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal / external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using the weighted average cost of capital. In carrying out such exercise, due effect is given to the requirements of Schedule II of the Companies Act, 2013.



- **Earnings Per Share (EPS):**

This is calculated by dividing the net Profit after Tax (PAT) for the period attributable to equity shareholders, by number of shares outstanding at the end of the year.

In case there are any changes in the equity during the year, EPS would be calculated on the weighted average number of shares outstanding during the period including adjustments of bonus issue, if any.

- **Provisions and contingencies**

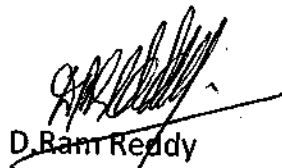
A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because, *(firstly)* it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; *(secondly)* the amount of the obligation cannot be measured with sufficient reliability.

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

**For Balaji Speciality Chemicals Pvt.Ltd.**

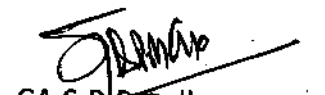


N.Rajeshwar Reddy  
Managing Director  
DIN: 00003854



D. Ram Reddy  
Director  
DIN: 00003864

**For Pandhare & Co  
Chartered Accountants,**



CA S.B. Pandhare  
Partner M No.016834

