

BALAJI SPECIALITY CHEMICALS LIMITED
12TH ANNUAL REPORT
2021-22

BALAJI SPECIALITY CHEMICALS LIMITED

12TH ANNUAL REPORT 2021-22

Board of Directors:

- | | |
|--|-------------------------------------|
| 1. Mr. N. Rajeshwar Reddy | - Managing Director |
| 2. Mr. A. Prathap Reddy | - Whole-time Director |
| 3. Mr. G. Hemanth Reddy | - Director |
| 4. Mr. D. Ram Reddy | - Whole-time Director |
| 5. Mr. Kashinath Revappa Dhole | - Independent Director |
| 6. Mr. Rajendra Kumar Tapadiya | - Independent Director |
| 7. Mrs. Suhasini Shah (w.e.f. 18.04.2022) | - Additional (Independent) Director |
| 8. Mr. Amarender Reddy (w.e.f. 18.04.2022) | - Additional (Independent) Director |

Chief Financial Officer:

Mr. Pardeep Singh Watwani (w.e.f 18.04.2022)

Company Secretary:

Mr. Lakhan Dargad

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 |

Corporate Social Responsibility Committee:

- | | |
|--------------------------------|------------|
| 1. Mr. Rajendra Kumar Tapadiya | - Chairman |
| 2. Mr. Kashinath R. Dhole | - Member |
| 3. Mr. D. Ram Reddy | - Member |

Registered Office:

2nd 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.

Statutory Auditor:

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

Internal Auditors:

Aherkar & Co.
Chartered Accountants
Solapur.

Cost Accountants:

Mr. Narayan D. Dontul,
Practicing Cost Accountant,
235/12, Telangi Pacha Peth,
Solapur – 413005 (MH)

Secretarial Auditors

M/s. P.S. Rao & Associates
Company Secretaries,
Flat No. 10, 4th Floor,
Ishwarya Nilayam,
Dwarakapuri, Panjagutta,
Hyderabad – 500 028, Telangana.

Bankers

HDFC Bank Limited
Bank of Baroda
State Bank of India



Speciality Chemicals Limited

CIN: U24299PN2010PLC137162

Registered office: 2nd Floor, 'Balaji Towers' NO. 9/1A/1, Hotgi Road, Aasara Chowk, Solapur - 413 224 (MH)

PHONE: 0091-217-2606 006, FAX: 0091-217-2451 521

EMAIL: cs@balajispecialitychemicals.com,

Website: www.balajispecialitychemicals.com

NOTICE

NOTICE is hereby given that the 12th Annual General Meeting of the members of **BALAJI SPECIALITY CHEMICALS LIMITED** will be held at 2nd Floor, 'Balaji Towers' NO. 9/1A/1, Hotgi Road, Aasara Chowk, Solapur - 413 224 on Monday, 30th May, 2022 at 11:00 A.M. to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements consisting of Balance Sheet as at 31st March, 2022 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 Report thereon.
2. To appoint a Director in place of Mr. N. Rajeshwar Reddy (DIN 00003854) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. M. Anandam & Co., Chartered Accountants, Hyderabad as statutory Auditors of the company and fix remuneration.

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

"RESOLVED THAT pursuant to the provisions of Sections 139, 141 and 142 of the Companies Act, 2013, M. Anandam & Co., Chartered Accountants, Hyderabad, (Firm Registration No.000125S) be and is hereby appointed as Statutory Auditors of the Company for a period of 5 years commencing from conclusion of 12th Annual General Meeting till the conclusion of 17th Annual General Meeting of the Company to fill the casual vacancy caused by the resignation of M/s M/s. Pandhare & Co., Chartered Accountants and that Board of Directors of the company be and is hereby authorized to fix their remuneration as per the recommendations from Audit committee of the Company and such remuneration may be paid on progressive billing including the Goods & service tax, as may be mutually agreed".

Special Business:

4. **Ratification of Remuneration to Cost Auditors for FY 2021-22.**

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

“RESOLVED THAT pursuant to the provisions of Section 148(3) of the Companies Act, 2013 and Rule 6(2) and 6(3A) of the Companies (Cost Records and Audit) Rules, 2014 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder including any statutory modification(s) or re-enactment thereof for the time being in force, the remuneration of Rs 25,000/- (Rupees Twenty Five Thousand Only) excluding applicable Tax payable, payable to M/s Narayan Durgayya Dontul, Cost Accountants for the financial year 2021-22, who are appointed by the Board of Directors as Cost Auditors of the Company to fill the casual vacancy caused by demise of M/s. N.V.S. Kaparthy, Practising Cost Accountant, Hyderabad (FRN No. 100231) during 2021-22, to conduct cost audit relating to cost records of the Company for the financial year ending 31st March, 2022, be and is hereby ratified.

5. Ratification of Remuneration to Cost Auditors for FY 2022-23.

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

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force and pursuant to the recommendation of Audit Committee, the remuneration payable to Mr. Narayan D. Dontul, Cost Accountants having Firm Registration Number 100224, appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records of the Company for the Financial year ended 31st March, 2023, amounting to Rs. 25,000/- (Rupees Twenty Five Thousand only) (plus GST and reimbursement of out of pocket expenses) be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard.”

6. Appointment of Mr. A. Prathap Reddy (DIN: 00003967) as a Whole-time Director of the Company.

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197 of Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, read with Schedule V and other applicable provisions if any, of the Companies Act, 2013 (including any statutory modifications and re-enactment(s) thereof, for the time being in force), the consent of the shareholders, be and is hereby accorded to approve the appointment of Mr. A. Prathap Reddy (DIN: 00003967) as a Whole-time Director of the Company, without remuneration to hold office for a period of five consecutive years commencing from 18th April, 2022 upto 17th April, 2027, liable to retire by rotation, on the terms and conditions as recommended by the Nomination and Remuneration Committee.

RESOLVED FURTHER THAT any of the directors and / or Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

7. Appointment of Mr. D. Ram Reddy (DIN: 00003864) as a Whole-time Director of the Company.

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

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197 of Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, read with Schedule V and other applicable provisions if any, of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications and re-enactment(s) thereof, for the time being in force), the consent of the shareholders, be and is hereby accorded to approve the appointment of Mr. D. Ram Reddy (DIN: 00003864) as a Whole-time Director of the Company without remuneration to hold office for a period of five consecutive years commencing from 18th April, 2022 upto 17th April, 2027, liable to retire by rotation, on the terms and conditions as recommended by the Nomination and Remuneration Committee.

RESOLVED FURTHER THAT any of the directors and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

7. Appointment of Dr. Suhasini Shah (DIN: 02168705) as an Independent Director of the Company.

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160 and 161 and other applicable provisions, if any, of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and on recommendation of the Nomination & Remuneration Committee, Dr. Suhasini Shah (DIN: 02168705), who was appointed as an Additional Director of the Company in the category of Independent Director with effect from 18th April, 2022 and who has submitted a declaration that she meets the criteria for independence as provided under Section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from 18th April, 2022 upto 17th April, 2027.

RESOLVED FURTHER THAT any of the directors and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

8. Appointment of M. Amarender Reddy (DIN: 05182741) as an Independent Director of the Company.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 and 161 and other applicable provisions, if any, of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and on recommendation of the Nomination & Remuneration Committee, Mr. M. Amarender Reddy (DIN: 05182741), who was appointed as an Additional Director of the Company in the category of Independent Director with effect from 18th April, 2022 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from 18th April, 2022 upto 17th April, 2027.

RESOLVED FURTHER THAT any of the directors and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

**By Order of the Board
For Balaji Speciality Chemicals Limited**

**Sd/-
N. Rajeshwar Reddy
Managing Director
DIN: 00003854**

Place: Solapur
Date: 18.04.2022

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll and to vote instead of himself/herself. Such proxy need not be a member of the company. Proxies to be effective must be lodged at the registered office of the company not later than 48 (forty-eight) hours before the commencement of the meeting. Blank proxy form is attached.
2. Notice is being sent to all the Shareholders of the company to their address registered with the company.
3. Members / proxies / authorized representatives should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.

4. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
5. The physical copies of the documents will also be available at the Company's registered office for inspection during normal business hours on working days.
6. Members/Proxies/Representatives are requested to bring the Attendance Slip enclosed in the Notice for attending the Meeting
7. Voting on all the resolutions shall be done through show of hands. In the event the voting is conducted through poll, the shareholders shall send their votes/poll papers only to cs@balajispecialitychemicals.com

**By Order of the Board
For Balaji Speciality Chemicals Limited**

**Sd/-
N. Rajeshwar Reddy
Managing Director
DIN: 00003854**

Place: Solapur
Date: 18.04.2022



Speciality Chemicals Limited

CIN: U24299PN2010PLC137162

Registered office: 2nd Floor, 'Balaji Towers' NO. 9/1A/1, Hotgi Road, Aasara Chowk, Solapur - 413 224 (MH)

PHONE: 0091-217-2606 006, FAX: 0091-217-2451 521

EMAIL: cs@balajispecialitychemicals.com,

Website: www.balajispecialitychemicals.com

ATTENDANCE SLIP FOR 12TH ANNUAL GENERAL MEETING

I certify that I am a registered Shareholder/Proxy/Representative for the registered shareholder(s) of Balaji Speciality Chemicals Limited

I hereby record my presence at the AGM of the shareholders of Balaji Speciality Chemicals Limited Monday, 30th May, 2022 at 11:00 A.M at Registered office of the company

| | |
|-------------------|-----------------------|
| DP ID* | Reg. Folio No. |
| Client ID* | No. of Shares |

*Applicable if shares are held in electronic form

**Name of the Shareholder/Proxy/Representative:
(Please specify)**

Signature of the Shareholder/Proxy/Representative:

Note:

You are requested to sign and handover this slip at the entrance of the meeting venue.

Route Map for the AGM Venue proved in the following page.

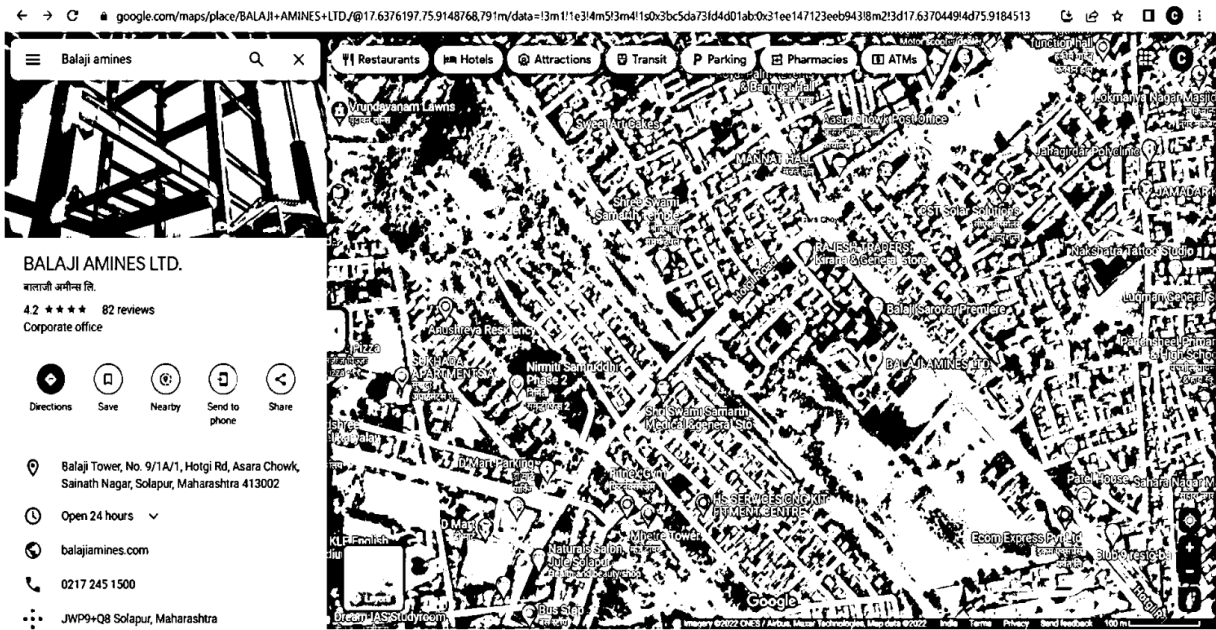


Figure 1BALAJI SPECIALITY CHEMICALS LIMITED

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT
TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

ITEM NO. 3

The Company is evaluating to undertake an initial public offering (“Offering”) and would require an auditor who has undergone the peer review process and who has obtained a peer reviewed certificate from ICAI as stipulated under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended. Since the existing Auditors M/s Pandhare & Co., Chartered Accountants are not a peer reviewed firm, they will be ineligible to continue as auditors of the Company especially for the proposed Offering. Accordingly, they have submitted their resignation letter dated 16th April, 2022, expressing their inability to continue as the auditors of the Company from the conclusion of 12th AGM of the Company.

As per the provisions of Section 139(8) of the Companies Act, 2013 the term of Statutory Auditor, appointed to fill any casual vacancy in office of auditor due to resignation, shall be upto the subsequent AGM and thereafter the Shareholders shall re appoint the Statutory Auditors for a term of 5 years in accordance with the provisions of Section 139 of the Act.

Since the resignation is effective from conclusion of the 12th AGM, the Board of Directors in their meeting held on 18th April, 2022, based on the recommendation of the Audit Committee, recommended the appointment M/s. M.Anandam & Co. Chartered Accountants (Firm Regn No. 0000125S), Hyderabad as Statutory Auditors for a term of 5 years, for the approval of the shareholders at the 12th AGM.

The Board has received consent from M/s M.Anandam & Co. Chartered Accountants (Firm Regn No. (Firm Regn No. 0000125S), Hyderabad, to act as Statutory Auditors and conduct audit of the accounts of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in this Resolution.

Accordingly, the Board of Directors recommend the resolution set out at Item No. 3 of the Notice for approval of members by way of a Special Resolution.

ITEM NO. 4 & 5

The Board of Directors, at its Meeting held on 31st January 2022, upon the recommendation of the Audit Committee, approved the appointment of Mr. Narayan D. Dontul, Cost Accountants, having Firm Registration Number 100224, as Cost Auditors of the Company for conducting the audit of the cost records of the Company for the Financial Year ending 31st March, 2022, at a remuneration of Rs. 25,000/- (Rupees Twenty Five Thousand only) (plus Goods and Services Tax and reimbursement of out of pocket expenses) to fill the casual vacancy caused by demise of M/s. N.V.S. Kapardhi, Practising Cost Accountant, Hyderabad (FRN No. 100231) during 2021-22.

Further the Board of Directors, at its Meeting held on 18th April, 2022, upon the recommendation of the Audit Committee, approved the re-appointment of Mr. Narayan D. Dontul, Cost Accountants, having Firm Registration Number 100224, as Cost Auditors of the Company for conducting the audit of the cost records of the Company for the Financial Year ending 31st March, 2023, at a remuneration of Rs. 25,000/- (Rupees Twenty Five Thousand only) (plus Goods and Services Tax and reimbursement of out of pocket expenses).

Pursuant to Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Members of a Company are required to ratify the remuneration to be paid to the cost auditors of the Company.

Accordingly, consent of the members is being sought for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending 2021-22 & 2022-23.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in this Resolution.

Accordingly, the Board of Directors recommend the resolution set out at Item No. 3 & 4 of the Notice for approval of members by way of a Special Resolution.

ITEM NO. 6

Mr. A. Prathap Reddy is as a Whole-time Director of the Company. Pursuant to conversion of the Company into Public Limited Company, the Board of Directors in their meeting held on 18th April, 2022, appointed him as a Whole-time Director of the Company for a period of five consecutive years commencing from 18th April, 2022 upto 17th April, 2027 in accordance with the provisions of Section 196, 197 read with Schedule V and other applicable provisions if any, of the Companies Act, 2013 (including any statutory modifications and re-enactment(s) thereof, for the time being in force). As per the aforesaid provisions any such appointment shall be subject to the approval of members in their General Meeting.

Section 196(3) of the Companies Act, 2013 read with Part I of Schedule V, inter alia, provides that appointment of any person as managing director, whole-time director or manager who has attained the age of 70 years shall require approval of members shall require approval of the members by passing a special resolution.

Mr. A. Prathap Reddy is a Civil Engineer by qualification and started his career in the year 1970 working for a company engaged in manufacturing of RCC spun pipes. He is playing a key role by his experience and expertise at every stage of development and decision making. With his vision, guidance, dynamism, and efforts, the Company shall reach to new heights and the next level of growth. He is an Executive Chairman of Balaji Amines Limited which is a holding company of the Company.

Hence, the Board of Directors recommend the resolution set out at Item No. 6 of the Notice for approval of members by way of a Special Resolution.

Except Mr. N. Rajeshwar Reddy, Managing Director of the Company, Mr. D. Ram Reddy, Whole time Director of the Company and Mr. G. Hemanth Reddy, Director of the Company and their relatives, none of the other directors, KMPs or their relatives are concerned or interested, financially or otherwise in this resolution.

ITEM NO. 7

Mr. D. Ram Reddy is a Whole-time Director of the Company. Pursuant to conversion of the Company into Public Limited Company, the Board of Directors in their meeting held on 18th April, 2022, appointed him as a Whole-time Director of the Company for a period of five consecutive years commencing from 18th April, 2022 upto 17th April, 2027 in accordance with the provisions of Section 196 and 197 read with Schedule V and other applicable provisions if any of the Companies Act, 2013 (including any statutory modifications and re-enactment(s) thereof, for the time being in force). As per the aforesaid provisions, any such appointment shall be subject to the approval of members in their General Meeting.

Accordingly, the Board of Directors recommend the resolution set out at Item No. 7 of the Notice for approval of members by way of a Special Resolution.

Mr. D. Ram Reddy is having more than 38 years of experience spread across various businesses. He joined Bharat Cement Pipe Industries, Hyderabad as Manager in 1980. In 1985, he promoted Balaji Cement Products Pvt Limited and managed successfully.

He is a Managing Director of Balaji Amines Limited which is a holding company of the Company. Currently, he is responsible for the procurement, marketing and logistics activities of the Company. He has played a key role in establishing customer and supplier's relationship with leading buyers and suppliers of specialty chemicals both within the country and also abroad.

Except Mr. A. Prathap Reddy, Whole Time Director of the Company, Mr. N. Rajeshwar Reddy, Managing Director of the Company and Mr. G. Hemanth Reddy, Director of the Company and their relatives, none of the other directors, KMPs or their relatives are concerned or interested, financially or otherwise in this resolution.

ITEM NO. 8

The Board of Directors in their meeting held on 18th April, 2022 has appointed Dr. Suhasini Shah (DIN: 02168705) as an Additional Director of the Company in the category of Independent Director on recommendation of the Nomination and Remuneration Committee, who shall hold office till the Annual General Meeting. The Board further proposed her appointment as an Independent Director of the Company for a period of five consecutive years commencing from 18th April, 2022 upto 17th April, 2027. The Company has received notice in writing under section 160 of the Act, proposing the candidature of Dr Suhasini Shah for the office of Director of the Company.

Dr. Suhasini Shah aged 56 years, is a Qualified Doctor and a Law Graduate. (MBBS and LLB) She has also completed a program in General Management for SMEP from Indian Institute of Management, Ahmedabad.

Dr. Suhasini Shah has given a declaration to the Board that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. In terms of Schedule IV and proviso to sub-section (5) of Section 152, the Board of Directors are of the opinion that Dr. Suhasini Shah fulfills the conditions specified in the Act, for her appointment as an Independent Director of the Company.

Dr. Suhasini Shah does not hold any shares/securities in the Company, either in her individual capacity or on a beneficial basis for any other person.

Except Dr. Suhasini Shah and her relatives, none of the other Directors and Key Managerial Personnel of the Company, or their relatives, are concerned or interested, financially or otherwise in this resolution.

Accordingly, the Board of Directors recommend the resolution set out at Item No. 8 of the Notice for approval of members by way of a Special Resolution.

ITEM NO. 9

The Board of Directors in their meeting held on 18th April, 2022 has appointed Mr. M. Amarender Reddy (DIN: 05182741) as an Additional Director of the Company in the category of Independent Director on recommendation of the Nomination and Remuneration Committee, who shall hold office till the Annual General Meeting. The Board further proposed his appointment as an Independent Director of the Company for a period of five consecutive years commencing from 18th April, 2022 upto 17th April, 2027. The Company has received notice in writing under section 160 of the Act, proposing the candidature of Mr. M. Amarender Reddy for the office of Director of the Company.

Mr. M. Amarender Reddy aged 71 years, is a graduate and he started his career with State Bank of Hyderabad and worked in various capacities as Branch Manager, Chief Manager, Assistant General Manager and Dy. General Manager. He also worked with State bank of Mysore as Dy. General Manager before superannuation. He is credited with vast knowledge on Project Finance, Banking etc. he is credited with vast knowledge on Project Finance, Banking etc. Mr. M. Amarender Reddy is an Independent Director in Balaji Amines Limited, Holding Company of the Company.

Mr. M. Amarender Reddy has given a declaration to the Board that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. In terms of Schedule IV and proviso to sub-section (5) of Section 152, the Board of Directors are of the opinion that Mr. M. Amarender Reddy fulfills the conditions specified in the Act, for his appointment as an Independent Director of the Company.

Mr. M. Amarender Reddy does not hold any shares/securities in the Company, either in his individual capacity or on a beneficial basis for any other person.

Except Mr. M. Amarender Reddy and his relatives, none of the other Directors and Key Managerial Personnel of the Company, or their relatives, are concerned or interested, financially or otherwise in this resolution.

Accordingly, the Board of Directors recommend the resolution set out at Item No. 9 of the Notice for approval of members by way of a Special Resolution.

ADDITIONAL INFORMATION

Information pursuant to the Secretarial Standard on General Meetings (SS- 2) regarding Director seeking appointment / re-appointment and

Details of the proposed appointee Directors:

| S. No. | Particulars | Suhasini Shah | N. Rajeshwar Reddy | A. Prathap Reddy |
|--------|--|--|--|---|
| 1. | Date of Birth | 17.08.1965 | 02.02.1955 | 16.05.1951 |
| 2. | Date of Appointment by the Board | 18.04.2022 | 17.07.2021 | 18.04.2022 |
| 3. | Qualification, Experience & Expertise | Holds degree in law, in medicine and in surgery from Shivaji University & completed a program in General Management for SMEP from Indian Institute of Management, Ahmedabad & Over 26 years of work experience in management | having more than 40 Years of experience spread across different Industries. | Civil Engineer by qualification and having more than 50 years experience in the industry And Executive Chairman of Balaji Amines Limited which is a holding company of the Company. |
| 4. | Disclosures of relationship with other directors | No | N. Rajeshwar Reddy is the Brother in law of Mr. Hemanth Reddy, Director of the company | A. Prathap Reddy is the Father in Law of Mr. Mr. G. Hemanth Reddy Director of the company and Uncle of D.Ram Reddy Whole time Director of the company. |
| 5. | Shareholding in the Company | Nil | He is Holding 6379800 equity shares to percentage of 3.2% 6430100 | He is Holding 13500000 equity shares to percentage of 6.75% |
| 6. | Terms and Conditions of Appointment with details of Remuneration | The appointment is for a term of 5 years under Independent Category and entitled to Sitting fee & Out pocket of expenses if any | He is appointed for a term of 3 years wef. 16.05.2021. He is vested with the day to day operations of the Company and does not draw any remuneration from the Company. | He is appointed for a term of 5 years wef 18.04.2022. He is vested with Management and Key Decisions of the Company and does not draw any remuneration from the Company |
| 7. | Last drawn Remuneration, if any | Not applicable | Nil | Nil |

| S. No. | Particulars | Ram Reddy Dundurapu | Amarender Reddy Minupuri |
|--------|--|--|---|
| 1. | Date of Birth | 20.10.1961 | 22.10.1951 |
| 2. | Date of Appointment the Board | 18.04.2022 | 18.04.2022 |
| 3. | Qualification, Experience & Expertise | Having more than 38 years of experience spread across various businesses | Commerce Graduate & having more than 40 Years of experience spread across different Industries. |
| 4. | Disclosures of relationship with other directors | Nephew of Mr. A. Prathap Reddy Whole Time Director of the company. | No |
| 5. | Shareholding in the Company | He is holding 6430100 equity shares to the Percentage of 3.21% | Nil |
| 6. | Terms and Conditions of Appointment with details of Remuneration | He is appointed for a term of 5 years w.e.f 18.04.2022. He is vested with the procurement, marketing and logistics activities of the Company and does not draw any remuneration from the Company | The appointment is for a term of 5 years under Independent Category and entitled to Sitting fee & Out pocket of expenses if any |
| 7. | Last drawn Remuneration, if any | Nil | Not Applicable |

**By Order of the Board
For Balaji Speciality Chemicals Limited**

Sd/-
N. Rajeshwar Reddy
Managing Director
DIN: 00003854

Place: Solapur
Date: 18.04.2022

DIRECTORS' REPORT

To,
The Shareholders of,
BALAJI SPECIALITY CHEMICALS LIMITED

Your Directors have pleasure in presenting the 12th Annual Report of the Company for the Financial Year ended 31st March, 2022.

Highlights of the operations during the year are as follows.

1. Financial Results:

The Financial highlights of the Company for the financial year 31st March, 2022 are as follow:
(Amount in Rs.)

| Particulars | 31-MAR-2022 | 31-MAR-2021 |
|---|------------------------|-----------------------|
| Operating Income | 5,15,79,63,180 | 1,80,50,42,336 |
| Other Income | 54,78,155 | 1,00,75,974 |
| Total Income | 51,63,44,13,355 | 1,81,51,18,310 |
| Total Expenditure | 3,32,86,83,249 | 1,34,81,82,536 |
| Operating Profit/(Losses) | 1,83,47,58,086 | 46,69,35,774 |
| Less: Finance Charges | 15,49,26,143 | 19,00,14,228 |
| Profit/(Loss) before depreciation and amortization | 1,67,98,31,943 | 27,69,21,546 |
| Less: Depreciation | 12,83,51,922 | 11,06,79,604 |
| Profit / (Loss) before Tax and Prior Period Items | 1,55,14,80,021 | 16,62,41,942 |
| Less: Prior Period Items | 0 | 0 |
| Less: Taxes (Current Tax, FBT & Provisions for Deferred tax) | 27,10,74,589 | 0 |
| Deferred Tax | 16,54,79,311 | 4,83,96,109 |
| Net Profit/(Loss) | 1,09,95,98,515 | 11,78,45,833 |
| Net Worth | 1,90,19,52,154 | 80,23,53,639 |
| Earnings Per Share (EPS) (of Rs. 2/- each) | 5.50 | 0.59 |

2. Financial Performance:

During the year, Your Company has recorded a total income of Rs.51,63,44,13,355 during the year. (Previous Year Rs. 1,81,51,18,310) The Net profit of the Company for the Financial Year is Rs.1,09,95,98,515 (Previous Year Rs. 11,78,45,833).

3. Dividend:

In order to expand the business and conserve the resources of the Company, your directors do not recommend any dividend for the current year.

4. Conversion from Private Limited to Public Limited Company:

During the year, the Company was converted from Private Limited to Public Limited Company and a Fresh Certificate of Incorporation dated 17th March, 2022 was issued by the Registrar of Companies, Maharashtra at Pune.

5. Capital Structure:

During the year, the Members approved the sub-division of Equity Shares of the Company having the face value of Rs. 10/- per share to face value of Rs. 2/- per share in their Extra ordinary General Meeting held on 26th February, 2022.

At present, the Authorised Share Capital of the Company is Rs. 45,00,00,000/- (Rupees Forty Five Crores Only) divided into 22,50,00,000 (Twenty Two Crore Fifty Lacs) Equity Shares of Rs. 2/- (Rupees Two only) each. The issued and paid up Share Capital of the Company is Rs. 40,00,00,000/- (Rupees Forty Crores Only) comprising of 20,00,00,000 (Twenty Crores) Equity Shares of Rs.2/- each.

6. Transfer to Reserves:

During the year under review the Company has not transferred any amount to its General Reserve.

7. Change in the Nature of Business, if any:

There is no change in the nature of business of the Company during the Financial Year 2021-22.

8. 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.

9. 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.

10. Details of Subsidiary / Joint Ventures / Associate Companies:

There are no Subsidiary / Joint Ventures / Associates of the Company as on 31st March, 2022. As such, there is nothing to report under this clause.

11. 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.

12. Deposits:

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

13. 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.

The Company is evaluating to undertake an initial public offering (“Offering”) and would require an auditor who has undergone the peer review process and who has obtained a peer reviewed certificate from ICAI as stipulated under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended. Since the existing Auditors M/s Pandhare & Co., Chartered Accountants are not a peer reviewed firm, they will be ineligible to continue as auditors of the Company especially for the proposed Offering. Accordingly, they have submitted their resignation letter dated 16th April, 2022, expressing their inability to continue as the auditors of the Company from the conclusion of 12th AGM of the Company.

Accordingly the Board of Directors on the recommendation of the Audit Committee, recommended the appointment M/s M.Anandam & Co. Chartered Accountants (Firm Regn No.000125S), Hyderabad as Statutory Auditors for a term of 5 years, for the approval of the shareholders at the 12th AGM.

14. Auditor’s Report:

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

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.

15. Annual Return:

The Copy of Annual Return MGT-7 is placed on the website of the Company at <http://www.balajispecialitychemicals.com/>

16. Secretarial Auditors and Secretarial Audit Report:

Pursuant to provisions of Section 204 of the Companies Act, 2013, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. P. S. Rao & Associates, Practicing Company Secretaries, as Secretarial Auditors to conduct Secretarial Audit for 2021-22. Report issued by the Secretarial Auditors pursuant to Section 204(1) of the Companies Act, 2013, for the financial year ended 31st March, 2022 is given in ‘Annexure I’ attached hereto and forms part of this Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark on the Company.

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. The Internal Auditors are submitting their reports on quarterly basis

18. Cost Auditors:

During the year a casual vacancy was caused by the demise of Mr. N.V.S. Kapardhi, Practicing Cost Accountants, Hyderabad. Due to the casual vacancy and in accordance with Section 148 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014, the Audit Committee has recommended and the Board of Directors had appointed Mr. Narayan D. Dontul, Cost Accountants, Solapur as Cost Auditors of the Company to carry out the cost audit of the products manufactured by the Company during the financial year 2021-2022 on a remuneration of Rs. 25,000/- (Rupees TwentyFive Thousand only).

Further, the Board has re-appointed Mr. Narayan D. Dontul, Cost Accountants, Solapur as Cost Auditors of the Company to carry out the cost audit of the products manufactured by the Company for the financial year 2022-23 on a remuneration of Rs. 25,000/- (Rupees Twenty Five Thousand only).

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

The details mentioned as ANNEXURE-IV

20. Corporate Social Responsibility:

The Board in compliance with the provisions of Section 135(1) of the Companies Act, 2013, and rules made thereunder has constituted CSR Committee with Mr. D. Ram Reddy, Director, Mr. Kashinath R. Dhole, Independent Director, and Mr. Rajendra Kumar Tapadiya, Independent Director of the Company as its Members. CSR Committee meeting was held on 17th May, 2021 for recommendation of CSR policy.

Since the average net profits of the company computed for the preceding 3 Financial Years in pursuance to the provisions of section 135 of the companies act 2013 is Negative, the Company did not spend any amount towards the CSR. Copy of the Annual Report on CSR Activities as required to be included in the Board's Report is provided as Annexure VI

21. 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 31st March, 2022 consisted of Seven (7) Directors comprising Four (4) Executive Directors One (1) Non Executive Director and Two (2) Independent Non-Executive director(s).

Mr. N. Rajeshwar Reddy retires by rotation and, being eligible, offers himself for re-appointment at the 12th Annual General Meeting (AGM) of the Company.

Mr. D. Ram Reddy resigned from the office as CFO of the company with effect from 18th April, 2022 and He will continue as Director of the company.

Mr. A. Srinivas Reddy resigned from the office of the director of the company with effect from 18th April, 2022.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on 18.04.2022, appointed Dr. Suhasini Shah (DIN: 02168705) & Mr. M. Amarender Reddy (DIN: 05182741) as an Additional Director under the Category of Independent Director of the Company for a period of five years subject to the approval of members at the ensuing annual general meeting.

During 2021-22, Ms. Soniya Nilesh Mahajan was appointed as Company Secretary of the Company on 17th July, 2021 and she resigned on 25th October, 2021. The Company has appointed Mr. Lakhan Dargad as Company Secretary wef 25th October, 2021.

There were no other changes in the details of Directors or Key Managerial Personnel during the Financial Year 2021-22. However Mr. Pardeep Singh Watwani was appointed as Chief Financial Officer (CFO) of the company with effect from 18th April 2022 after the closure of Financial Year.

22. Declaration by Independent Directors:

Your Company has received declarations from all the Independent Directors of the Company confirming that they fulfill the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

23. Number of Meetings of the Board of Directors:

Information in respect of the meetings held during the Financial Year 31st March, 2022 and their attendance at each meeting of the Board are as under:

5 (Five) number of Board meetings were held during the Financial Year 31st March, 2022 which were held on 22nd May, 2021, 17th July, 2021, 31st July, 2021, 25th October, 2021 and 31st January, 2022. The brief detail is as under:

| Sr. No. | Name of the Director | Category | No. of meetings attended |
|---------|-----------------------------|----------------------|--------------------------|
| 1. | Mr. N. Rajeshwar Reddy | Managing Director | 5 |
| 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 | 5 |
| 6. | Mr. Kashinath R. Dhole | Independent Director | 5 |
| 7. | Mr. Rajendra Kumar Tapadiya | Independent Director | 5 |

24. Meetings of Independent Directors

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, one Meeting of Independent Directors was held on 31st January, 2022 during the year.

25. Committees of the Board:

Details of committees of the Board, their composition and other details are provided in Annexure -II to the Board Report.

26. 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.

27. Particulars of Contracts or Arrangements with Related Parties:

The Transactions entered into with related parties during the year were in Ordinary Course of the Business and on Arm's Length basis. AOC - 2 as required by the Companies Act, 2013 is attached as "Annexure III" to this report.

28. 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. The Board of Directors acknowledges the need for reviewing risk elements on a continuous basis and has initiated a procedure to prepare a Business Continuity Plan.

29. Nomination and Remuneration Policy:

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors and Senior Management personnel and fix their remuneration. The Remuneration Policy is posted on the website of the Company at the link: <http://balajispecialitychemicals.com/>

30. Familiarization Programme:

At the time of appointing a director, a formal letter of appointment is given, which inter alia explains the role, function, duties and responsibilities expected from a Director of the Company. The Director is also explained in detail the Compliance required from him under Companies Act, 2013, other various statutes and an affirmation is obtained. Further, on an ongoing basis as a part of Agenda of Board / Committee Meetings, briefings are regularly made to the Independent Directors on various matters inter-alia covering the Company's and operations, industry and regulatory updates, strategy, finance, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters.

A formal familiarisation programme was conducted about the amendments in the Companies Act, 2013, Rules prescribed thereunder, and all other applicable laws of the Company. Company do notify the changes in all the applicable laws from time to time to the Board of Directors regularly in every Board Meeting. The details of the familiarisation programme for Directors are available on the Company's website at <http://balajispecialitychemicals.com/investor-relations.com>

31. Annual Board Evaluation:

The Board evaluation criteria for the Board was based on questionnaires 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 Board has carried out the annual performance evaluation of its own performance by the Directors individually (including Independent Directors) as well as the evaluation of the working of its Audit, Nomination and Remuneration and other Committees. The annual performance evaluation of the Directors individually vis-à-vis the Board and its committees have been carried out.

32. Directors' Responsibility Statement:

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that:-

- a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d. The Directors had prepared the annual accounts on a going concern basis; and
- e. 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.

33. 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 Workplace (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 2021-22:

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

34. Vigil Mechanism:

The Board approved Vigil Mechanism of the Company at its meeting held on 16th May, 2018 pursuant to provisions of Section 177 of Companies Act, 2013. The purpose of the policy is to provide a framework to promote 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.

35. Human Resource & Industrial Relations:

The Company's total manpower as on 31st March, 2022 was 103 Employees. During the year, harmonious industrial relations were maintained in the Company.

36. Health Safety & Environment:

Your Company attaches highest priority to safety, occupational health and protection of the 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.

37. 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 consisting 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 acquired are used economically.

38. 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
For Balaji Speciality Chemicals Limited**

Place: Solapur
Date: 18.04.2022

Sd/-
N. Rajeshwar Reddy
Managing Director
DIN: 00003854

Sd/-
D. Ram Reddy
Whole Time Director
DIN: 00003864

Annexure - I
Form No.MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2022

[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 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 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 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 31st March, 2022 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
 - (g) The Public Liability Insurance Act, 1991

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. There were no changes in the composition of the Board of Directors that took place during the period under review.

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.

During the period under review, Company has become public limited Company vide fresh Certificate of Incorporation issue by Registrar of Companies, Pune, vide its letter dated 17th March, 2022.

For P.S. Rao & Associates
Company Secretaries
sd/-
P S Rao
Partner
M. No. F10322
C P No: 3829
P.R. 710/2020

Place: Hyderabad

Date: 18.04.2022

UDIN: F010322D000143389

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

'Annexure A'

To
The Members
Balaji Speciality Chemicals Limited
Solapur

Our report of the event is to be read along with this letter.

1. Maintenance of secretarial and other statutory records 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 a 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. Wherever 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 a test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy in effectiveness with which the management has concluded the affairs 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
sd/-
P S Rao
Partner
M. No. F10322
C P No: 3829
P.R. 710/2020

Place: Hyderabad
Date: 18.04.2022
UDIN: F010322D000143389

Annexure-II

Details of 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 Audit Committee meetings were held during the Financial Year 31st March, 2022 which were held on 22nd May, 2021, 31st July, 2021, 25th October, 2021 and 31st January, 2022. The brief detail is as under:

| Sr. No. | Name of the Director | Designation in Committee | Category of Director | No of Meetings attended |
|---------|------------------------|--------------------------|---------------------------|-------------------------|
| 1 | Mr. Kashinath R. Dhole | Chairman | Independent Non-Executive | 4 |
| 2 | Mr. Rajendra Tapadiya | Member | Independent Non-Executive | 4 |
| 3 | Mr. G. Hemanth Reddy | Member | Non- Executive | 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 the 2 Independent Directors and One Non-Executive Director.

The composition of the committee is given below:

| Name | Designation in Committee | Category of Director | No of Meetings attended |
|-----------------------------|--------------------------|----------------------------|-------------------------|
| Mr. Kashinath Revappa Dhole | Chairman | Independent, Non-Executive | 3 |
| Mr. G. Hemanth Reddy | Member | Non- Executive | 3 |
| Mr. Rajendra Kumar Tapadiya | Member | Independent, Non-Executive | 3 |

During the year, the 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.

Corporate Social Responsibility Committee:

The Corporate Social Responsibility Committee has been formed in compliance section 135 of the companies Act 2013 comprising the 2 Independent Directors and One Executive Director of the Company and meeting one held was held on 17th May 2021.

The composition of the committee is given below:

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

During the year, the committee has formulated and recommended the CSR policy to the Board and the same is adopted by the Board.

**By Order of the Board
For Balaji Speciality Chemicals Limited**

Place: Solapur
Date: 18.04.2022

Sd/-
N. Rajeshwar Reddy
Managing Director
DIN: 00003854

Sd/-
D. Ram Reddy
Whole Time Director
DIN: 00003864

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 contracts or arrangements or transactions not at arm's length basis:** Not Applicable
2. **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 and trading of Specialty Chemicals and other capital goods and Utilities |
| 3. | Duration of the contracts/arrangements/transaction | Upto 31 st March, 2022 |
| 4. | Salient terms of the contracts or arrangements or transaction including the value, if any | No long term contracts. The transaction are done based on purchase orders as per market terms and the value of transactions for which approval is granted is entered is Rs 113.46 Crores. |
| 5. | Date of approval by the Shareholders | 17 th February 2021 and 31 st July, 2021 |
| 6. | Amount paid as advances, if any | NA |

| 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 | Premises on lease for a period of three years |
| 3. | Duration of the contracts/arrangements/transaction | 3 Years |
| 4. | Salient terms of the contracts or arrangements or transaction including the value, if any | Rent payment Rs. 60,000 per Annum |
| 5. | Date of approval by the Board/Audit Committee | 31 st January, 2022 |
| 6. | Amount paid as advances, if any | NA |

| SL. No. | Particulars | Details |
|---------|---|--|
| 1. | Name (s) of the related party & nature of relationship | SVS Sourcings Private Limited. Director of the Company is shareholder of SVS Sourcings Private Limited |
| 2. | Nature of contracts/arrangements/transaction | Purchase and Sale of chemicals |
| 3. | Duration of the contracts/arrangements/transaction | One year upto 30 th July, 2022 |
| 4. | Salient terms of the contracts or arrangements or transaction including the value, if any | No long term contracts. The transaction are done based on purchase orders as per market terms and the value of transactions for which approval is accorded is Rs. 25.00 Crores |
| 5. | Date of approval by the Shareholders | 31st July, 2021 |
| 6. | Amount paid as advances, if any | NA |

**By Order of the Board
For Balaji Speciality Chemicals Limited**

Place: Solapur
Date: 18.04.2022

Sd/-
N. Rajeshwar Reddy
Managing Director
DIN: 00003854

Sd/-
D. Ram Reddy
Whole Time Director
DIN: 00003864

ANNEXURE - IV
CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO
[Pursuant to section 134 (3) (m) of The Companies Act, 2013, read with Rule 8 (3) of The Companies (Accounts) Rules, 2014]

A. Conservation Of Energy

- a. the steps taken or impact on conservation of energy :- NA
- b. the steps taken by the company for utilizing alternate sources of energy :- NA
- c. the capital investment on energy conservation equipments :- NA

B. Technology Absorption, Adoption and Innovation Efforts Made

- a. the efforts made towards technology absorption:- The Company has stabilised the plant. Presently the Plant is successfully operating at desired output.
- b. the benefits derived like product improvement, cost reduction, product development or import substitution:- The Company has reviewed the Plant operating parameters and improved the consumption coefficient.
- c. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
 - the details of technology imported -EDA Catalyst DICP, Various Machineries and process know how the year of import; 2018
 - whether the technology been fully absorbed; - Yes
 - if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and - Not Applicable

C. The Expenditure Incurred On Research And Development. - NIL

D. Foreign Exchange Earnings And Outgo

| | 2021-22 | 2020-21 |
|-------------------------|----------------------|--------------------|
| Foreign Exchange outgo | Rs. 113,21,68,835 /- | Rs. 20,25,87,215/- |
| Foreign Exchange earned | Rs. 114,96,24,736/- | Rs. 38,13,30,174/- |

By Order of the Board
 For Balaji Speciality Chemicals Limited

Place: Solapur
 Date: 18.04.2022

Sd/-
 N. Rajeshwar Reddy
 Managing Director
 DIN: 00003854

Sd/-
 D. Ram Reddy
 Whole Time Director
 DIN: 00003864

ANNEXURE - V
ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

A brief outline of the Company's CSR policy, including overview of projects or programs completed and proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

To operate its business in a sustainable manner respecting the society & the environment, while recognizing the interests of all its stakeholders.

To also take up directly or indirectly programmes that will benefit the communities in and around its factories, which will, over a period of time enhance the quality of life and economic wellbeing of the local residents.

Through assisted programmes, services and through its CSR initiatives, the company will generate community goodwill and create a partnership with all stake holders of the region as socially responsible corporate. The CSR Policy including a brief overview of the projects or programs undertaken can be accessed from time to time at the Company's website through the Web-link: <http://balajispecialitychemicals.com/investor-relations.in>

3. Composition of the CSR Committee:

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

4. Web link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company <http://balajispecialitychemicals.com/investor-relations.in>

Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report)-
Not applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

| Sr.No. | Financial Year | Amount available for set-off from preceding financial years (in Rs) | Amount required to be set-off for the financial year, if any (in Rs.) |
|--------|----------------|---|---|
| Nil | | | |

6. Average net profit of the Company as per section 135(5):

| Financial Year | Profit after tax |
|--|------------------|
| 2018-19 | 39080 |
| 2019-20 | -155525991 |
| 2020-21 | 117845833 |
| Aggregate profit (Loss) of the 3 Preceding financial Years | -37641078 |

Average net profit (Loss): (37641078/-)

7. **a) Two percent of average net profit of the Company as per section 135(5)**

The Company is required to spend towards CSR activities: Nil

b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years NIL.

c) Amount required to be set off for the financial year, if any: NIL

d) Total CSR obligation for the financial year (7a+7b-7c):- Nil

8. (a) CSR amount spent or unspent for the financial year: Not applicable

b) Details of CSR amount spent against ongoing projects for the financial year: (Not Applicable)

c) Details of CSR amount spent against other than ongoing projects for the financial year: Not applicable.

d) Amount spent in Administrative Overheads: Nil

e) Amount spent on Impact Assessment, if applicable:- Not Applicable

f) Total amount spent for the Financial Year :- Nil

9. a) Details of Unspent CSR amount for the preceding three financial years : Not Applicable

b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable.

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the : Not Applicable

11. **Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): Not applicable**

12. The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and policy of the Company.

**By Order of the Board
For Balaji Speciality Chemicals Limited**

Place: Solapur
Date: 18.04.2022

Sd/-
Kashinath R. Dhole
Chairman -CSR Committee
DIN: 01076675

Sd/-
D. Ram Reddy
Member of the committee
DIN: 00003864



INDEPENDENT AUDITOR'S REPORT

To the Members of Balaji Speciality Chemicals Limited,
(Formerly known as Balaji Speciality Chemicals Private Limited)

Report on the Audit of the Standalone Financial Statements

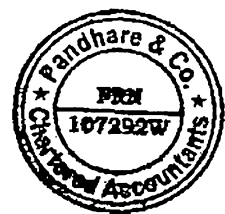
Opinion

We have audited the standalone financial statements of Balaji Speciality Chemicals Limited ("the Company"), which comprise the balance sheet as at 31st March 2022, 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, 2022, 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

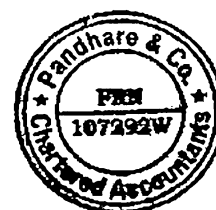
The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and 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, 2020 ("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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".



- 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.

For, **PANDHARE AND COMPANY**
CHARTERED ACCOUNTANTS


S. B. Pandhare

Chartered Accountant

Partner, M. No.: 016834

Firm Reg. No: 107292W

UDIN: 22016834AHGFIT2880

Date: 18.04.2022

Place: Solapur



ANNEXURE " A " TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF BALAJI SPECIALITY CHEMICALS LIMITED .

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

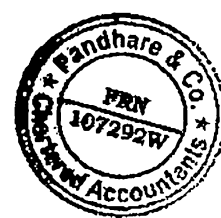
We have audited the internal financial controls over financial reporting of Balaji Speciality Chemicals Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted Our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system



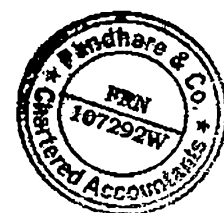
over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at **March 31, 2022**, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, **PANDHARE AND COMPANY**
CHARTERED ACCOUNTANTS



S. B. Pandhare

Chartered Accountant

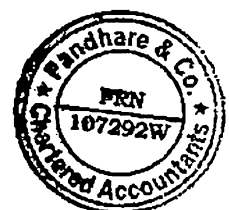
Partner, M. No.: 016834

Firm Reg. No: 107292W

UDIN: 22016834AHGFIT2880

Date: 18.04.2022

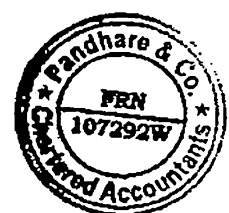
Place: Solapur



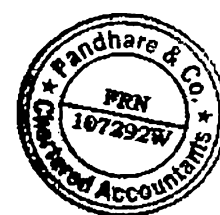
ANNEXURE "B" INDEPENDENT AUDITOR'S REPORT

Statement referred to in our Audit Report of even date to the Members of **Balaji Speciality Chemicals Limited** on the financial statements for the year ended 31st March 2022, we report that,

1. In our opinion and as per the information and explanations given to us, the Company has maintained proper records showing particulars, including quantitative details and situation of Property plant and Equipment and Intangible Assets para 3 (i)(a)
According to the information and explanations given to us, the Company Property, Plant and Equipment have been physically verified by the management at reasonable intervals; No material discrepancies were noticed on such verification. Para 3 (i)(b).
According to the information and explanations given to us, the Company does not have owned any immovable properties. Accordingly, paragraph 3(i)(c) of the Order is not applicable.
On the examination of financial statements Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Para 3 (i)(d).
According to the information and explanations given to us, There were no proceeding have been initiated or are pending against the company for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988 Para 3 (i)(e).
2. According to information and explanations given to us, the inventories have been physically verified during the year by the management. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on physical verification of inventories as compared to the book records are less than 10% of aggregate of each class of inventory. They have been properly dealt with the Books of accounts.
The Company has been sanctioned working capital limits in excess of Rs. 5 crore, in aggregate, from banks or financial institutions on the basis of security of current assets As per the records produced before us the quarterly statements filed by the company with the bank are in the agreements with the books of accounts of the company for quarter 3. However in respect of quarter 4 quarterly statements are yet to be filed with the banks. Further refer Additional Regulatory Information disclosure point no. 15 of financial statements for discrepancies found in Quarter 1 and Quarter 2.



3. According to the information and explanations given to us, during the year the Company has not made investments in, provided any guarantee or security or granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Accordingly, reporting under sub clauses (a) to (f) of paragraph 3(iii) of the Order does not arise.
4. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit nor has accepted amount which are deemed to be deposits as per the provisions of Sections 73 to 76 or any other relevant provision of the Act and the rules framed thereunder. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.
6. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of manufacture of products and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records. Para 3(vi).
7. Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, value added tax, service tax, duty of custom, duty of excise, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities and there are no undisputed dues outstanding as on 31st March, 2022 for a period of more than six months from the date they became payable except Advance Income tax. During the year, company has paid earlier year income tax and advance tax for the current year. As on the date of balance sheet there was no outstanding of earlier year income tax however, delay payment of current years advance tax was not outstanding for more than 6 months from the date became payable till the last day of financial year.
According to the information and explanations given to us and on the basis of the records of the Company examined by us, in our opinion, There are no Statutory dues specified in sub clause (a) is in dispute except income tax .



| Financial year | Nature of Dues | Tax including interest | Forum where dispute is pending |
|----------------|----------------|------------------------|--------------------------------|
| 2017-18 | TDS | 21,39,082 | CIT (Appeals) |
| 2018-19 | TDS | 35,05,188 | CIT (Appeals) |

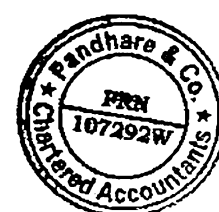
8. According to the information and explanations given to us ,in our opinion, there are no tax assessments under the income tax act, conducted during the year where any transactions not found in the books of accounts or disclosed as an income as per (Para 3 (viii)).
9. According to the information and explanations given to us and certificate obtained from the Financial institutions, the company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender, (Para (ix)(a)).
According to the information and explanations given to us and certificate obtained from the Financial institutions, the company is not declared as wilful defaulter by any bank or financial institution or other lender (Para 3(ix)(b)).
According to the information and explanations given to us, the company has applied all the term loans for the purpose for which the loans were obtained and no amount of loan was diverted (Para 3(ix)(c)).
As per our Audit Procedures and on an overall examination of balance sheet, we do not found any cases where funds raised on short term basis have been utilised for long term purpose (Para 3(ix)(d)).
According to the information and explanations given to us, the transactions of fund taken and loan raised from subsidiaries, associates or joint ventures are not applicable as the company do not have any subsidiaries, associates or joint ventures, hence Para 3 (ix)(e)) and (Para 3 (ix)(f) is not applicable.
10. In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, Para 3(x)(a).
According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the year under review and hence, reporting requirements under clause 3(x)(b) of the Order are not applicable.
11. During the course of our examination of the books and records of the Company carried out in accordance with generally accepted auditing practices



in India and according to the information and explanations given to us, we have neither come across any fraud by the Company or any fraud on the Company by its officers or employees noticed or reported during the year nor have we been informed of such case by management. Para 3 (xi)(a), further Para 3 (xi)(b) of the Order is not applicable to the Company.

As per the representation letter received by the management, there are no whistle-blower complaints received during the year by the Company. Para 3 (xi)(c).

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, reporting under Para 3 (xii)(a), (b) and (c) of the Order is not applicable to the Company.
13. According to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of Act and the details have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards. (Para 3 (xiii)).
14. In our opinion and based on our examination and explanations given to us, the company has an internal audit system commensurate with size and nature of its business (Para 3 (xiv) (a))
We have considered internal Audit report of the company issued till date for the period under the audit (Para 3 (xiv)(b))
15. Based on our audit procedures performed and information and explanations given to us, in our opinion during the year, the Company has not entered into any non-cash transactions with directors or person connected with the directors Hence provision of sec 192 of companies act 2013 is not applicable, (Para 3(xv))
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. (Para 3 (xvi)(a))
Based on our audit procedures performed and information and explanations given to us, the Company has not conducted any non-banking financial or housing financial activity.(Para 3 (xvi)(b))
Based on our audit procedures performed and information and explanations given to us, the Company is not core investment company (CIC) as defined in the regulation of RBI.(Para 3 (xvi)(c))
As per information and explanations given to us, Para 3 (xvi)(d) is not applicable as there is no CIC in the group.



17. As per overall examination of the Balance Sheet and Profit and Loss Account the Company has not incurred any cash losses during the financial year or immediately preceding financial year (Para 3(xvii))
18. During the year there was no instance of resignation of Statutory Auditor, hence (Para 3 (xviii)) of the order is not applicable to the company.
19. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are in the opinion that there was no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. (Para 3(xix))
20. As per sec 135(5) of the companies Act 2013, CSR spending should be minimum of 2% of Average net profit made during three immediately preceding financial year. As per the given calculation, minimum CSR spend by the company is nil, hence (Para 3 (xx)) is not applicable.
21. Company is preparing Standalone financial statements (SFS) hence (Para 3(xxi)) is not applicable.

For, **PANDHARE AND COMPANY**
CHARTERED ACCOUNTANTS



S. B. Pandhare

Chartered Accountant

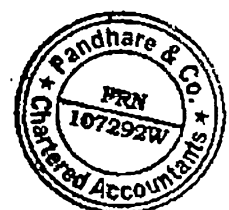
Partner, M. No.: 016834

Firm Reg. No: 107292W

UDIN: 22016834AHGFIT2880

Date: 18.04.2022

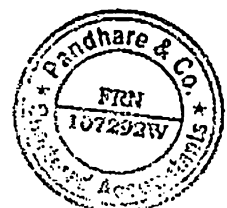
Place: Solapur



BALAJI SPECIALITY CHEMICALS LIMITED
(Formerly known as BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED)
BALANCE SHEET AS AT March 31, 2022

(Rupees)

| Particulars | Note No. | As at March 31, 2022 | As at March 31, 2021 |
|---|----------|-----------------------|-----------------------|
| ASSETS | | | |
| 1. Non - current assets | | | |
| a. Property, plant and equipment | 2 | 1,87,87,22,918 | 2,00,29,97,712 |
| b. Capital work - In -progress | | 0 | 0 |
| 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) | 3 | 75,37,823 | 70,53,097 |
| i. Deferred tax assets (net) | 4 | 0 | 1,42,38,477 |
| j. Other non-current assets | 5 | 1,14,92,775 | 1,47,56,309 |
| Total Non - current assets | | 1,89,77,53,516 | 2,03,90,45,595 |
| 2. Current assets | | | |
| (a) Inventories | 6 | 19,72,71,111 | 14,01,22,564 |
| (b) Financial Assets | | | |
| (i) Investments | | 0 | 0 |
| (ii) Trade Receivables | 7 | 1,61,85,12,556 | 43,17,18,940 |
| (iii) Cash and cash equivalents | 8 | 3,41,21,785 | 1,95,52,678 |
| (iv) Bank balances other than (iii) above | 9 | 2,22,368 | 3,23,150 |
| (v) Current Loans | 10 | 0 | 0 |
| (vi) Others (to be specified) | | 0 | 0 |
| (c) Current Tax Assets (Net) | | 24,84,16,849 | 1,45,62,627 |
| (d) Other current assets | 11 | 26,14,68,849 | 39,71,33,015 |
| (e) Assets held for sale / assets included in disposal group / groups held for sale | | 0 | 0 |
| Total Current assets | | 2,36,00,13,518 | 1,00,34,12,974 |
| Total Assets | | 4,25,77,67,034 | 3,04,24,58,569 |



| Particulars | Note No. | As at March 31, 2022 | As at March 31, 2021 |
|---|----------|-----------------------|-----------------------|
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| (a) Equity Share capital | 12 | 40,00,00,000 | 40,00,00,000 |
| (b) Other Equity | | | |
| (i) Reserves and surplus | 13 | 1,50,19,52,154 | 40,23,53,639 |
| Share Application Money Pending for allotment | | 0 | 0 |
| Total Equity | | 1,90,19,52,154 | 80,23,53,639 |
| LIABILITIES | | | |
| 1. Non - current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 14 | 1,23,57,43,176 | 1,66,19,66,618 |
| (ii) Trade payables | 15 | 0 | 5,38,59,146 |
| (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) | 4 | 15,12,40,834 | 0 |
| (d) Other non-current liabilities | | 0 | 0 |
| Total Non - current liabilities | | 1,38,69,84,010 | 1,71,58,25,764 |
| 2. Current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 16 | 43,07,46,261 | 38,21,78,837 |
| (ii) Trade payables | 17 | 23,35,72,143 | 13,21,46,994 |
| (iii) Other financial liabilities (other than those specified in item (c)) | 18 | 32,80,294 | 35,18,306 |
| (b) Other current liabilities | 19 | 1,85,12,797 | -37,59,705 |
| (c) Provisions | 20 | 1,16,44,786 | 1,01,94,734 |
| (d) Current Tax Liabilities (Net) | | 27,10,74,589 | 0 |
| (e) Liability classified as held for sale / liability included in disposal group / groups held for sale | | 0 | 0 |
| Total Current liabilities | | 96,88,30,870 | 52,42,79,166 |
| Total Liabilities | | 2,35,58,14,880 | 2,24,01,04,930 |
| Total Equity and Liabilities | | 4,25,77,67,034 | 3,04,24,58,569 |
| Significant Accounting Policies and other disclosures | 1 | | |

As per our report on even date

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

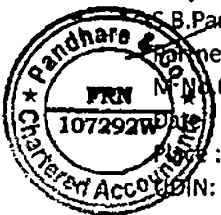
For Balaji Speciality Chemicals Ltd.
On behalf of Board of Directors

[Signature]

N.Rajeshwar Reddy
Managing Director
DIN: 00003854

[Signature]
D.Ram Reddy
Director & CFO
DIN: 00003864

[Signature]
Lakhan Dargad
Company Secretary

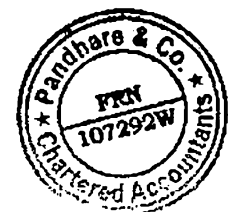


B. Pandhare
Partner
FRN: 107292W
Date: 18.04.2022
Office: Solapur
PIN: 22016834AHGFIT2880

BALAJI SPECIALITY CHEMICALS LIMITED
(Formerly known as BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED)
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED March 31, 2022

(Rupees)

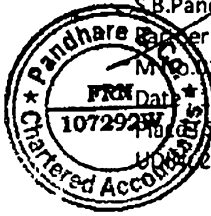
| Particulars | Note No. | For the Period ended March 31, 2022 | For the Period ended March 31, 2021 |
|---|----------|-------------------------------------|-------------------------------------|
| I Revenue from operations | 21 | 5,15,79,63,180 | 1,80,50,42,336 |
| II Other income | 22 | 54,78,155 | 1,00,75,974 |
| III Net Gain on derecognition of financial assets at amortized cost | | 0 | 0 |
| IV Net Gain on reclassification of financial assets | | 0 | 0 |
| V Total Revenue (I+II+III+IV) | | 5,16,34,41,335 | 1,81,51,18,310 |
| VI EXPENSES | | | |
| Cost of Material Consumed | 23 | 2,64,12,97,031 | 1,00,28,05,676 |
| Changes in inventories of finished goods and work-in-progress | 24 | -1,17,29,331 | 4,11,16,481 |
| Employee benefits expense | 25 | 2,81,39,944 | 2,14,86,886 |
| Finance costs | 26 | 15,49,26,143 | 19,00,14,228 |
| Depreciation and amortization expense | 2 | 12,83,51,922 | 11,06,79,604 |
| Other expenses | 27 | 67,09,75,605 | 28,27,73,493 |
| Total Expenses (VI) | | 3,61,19,61,314 | 1,64,88,76,368 |
| VII Profit/(loss) before exceptional items and tax (V - VI) | | 1,55,14,80,021 | 16,62,41,942 |
| VIII Exceptional items | | 0 | 0 |
| IX Profit/(loss) before tax (VII - VIII) | | 1,55,14,80,021 | 16,62,41,942 |
| X Tax Expenses: | | | |
| 1. Current Tax (including Minimum Alternate Tax) | | 27,10,74,589 | 0 |
| 2. Deferred Tax | 28 | 16,54,79,311 | 4,83,96,109 |
| 3. Adjustments of earlier year tax provisions | | 1,53,27,606 | 0 |
| XI Profit/(Loss) for the period from continuing operations (IX - X) | | 1,09,95,98,515 | 11,78,45,833 |
| 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 |
| XV Profit/(Loss) for the period (XI + XIV) | | 1,09,95,98,515 | 11,78,45,833 |
| 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 |
| XVII Total Comprehensive Income for the period (XV + XVI) (Comprising Profit/(Loss) and other Comprehensive Income for the period) | | 1,09,95,98,515 | 11,78,45,833 |



| Particulars | Note No. | For the Period ended March 31, 2022 | For the Period ended March 31, 2021 |
|---|----------|-------------------------------------|-------------------------------------|
| XVIII Earning per equity share (for continuing operation): | | | |
| (1) Basic | | 5.50 | 0.59 |
| (2) Diluted | | 5.50 | 0.59 |
| XIX Earning per equity share (for discontinued operation): | | | |
| (1) Basic | | 0.00 | 0.00 |
| (2) Diluted | | 0.00 | 0.00 |
| XX Earning per equity share (for discontinued & continuing operations) | | | |
| (1) Basic | | 5.50 | 0.59 |
| (2) Diluted | | 5.50 | 0.59 |
| Significant Accounting Policies and other disclosures | 1 | | |

As per our report on even date
For Pandhare & Co.,
Chartered Accountants,
FRN 107292W

S.B.Pandhare
Partner
M.No. 16834
FRN Date 18.04.2022
Place Solapur
UID No. 22016834AHGFIT2880



For Balaji Speciality Chemicals Ltd.
On behalf of Board of Directors

N. Rajeshwar Reddy

N.Rajeshwar Reddy
Managing Director
DIN: 00003854

Lakhan Dargad
Lakhan Dargad
Company Secretary

D. Ram Reddy
D.Ram Reddy
Director & CFO
DIN: 00003864

BALAJI SPECIALITY CHEMICALS LIMITED
(Formerly known as BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED)
CASH FLOW STATEMENT FOR THE PERIOD ENDED March 31, 2022

(Rupees)

| Particulars | Year Ended March 31, 2022 | Year Ended March 31, 2021 |
|--|------------------------------|------------------------------|
| A. Cash Flow from Operating Activities | | |
| Profit before Interest and Tax | 1,70,64,06,164 | 35,62,56,170 |
| Depreciation | 12,83,51,922 | 11,06,79,604 |
| Preliminary Expenses written off | 32,63,534 | 10,87,844 |
| Less : Other Income considered separately | -54,78,155 | -1,00,75,974 |
| Add : MAT Credit Recognition in Profit & Loss Account | 0 | 0 |
| Net | 1,83,25,43,465 | 45,79,47,644 |
| Increase (-)/ Decrease (+) In Inventories | -5,71,48,547 | 2,61,09,867 |
| Increase (-)/ Decrease (+) In Trade Receivables | -1,18,67,93,616 | -9,60,91,886 |
| Increase (-)/ Decrease (+) In Other Current Assets | -9,81,90,056 | -8,11,00,776 |
| Increase (+)/ Decrease (-) in Current Liabilities | 12,49,09,691 | -34,41,27,899 |
| Increase (+)/ Decrease (-) in Non Current Liabilities | -5,38,59,146 | -5,78,18,609 |
| Income Taxes Paid (Net of Refund) | -1,53,27,606 | 0 |
| Total A. Cash Flow from Operating Activities | 54,61,34,185 | -9,50,81,659 |
| B. Cash Flow from Investing Activities | | |
| Purchase of Fixed Assets | -40,77,128 | -4,16,515 |
| Increase (-)/ Decrease (+) in Non Current Assets | -4,84,726 | -15,15,524 |
| Other Income | 54,78,155 | 1,00,75,974 |
| Total B. Cash Flow from Investing Activities | 9,16,301 | 81,43,935 |
| C. Cash Flow from Financial Activities | | |
| Proceeds from Non-Current Borrowings | 2,00,00,000 | 31,00,00,000 |
| Repayments of Non-Current Borrowings | -44,62,23,442 | -21,96,87,119 |
| Proceeds / (Repayments) of Current Borrowings | 4,85,67,424 | 19,10,31,443 |
| Interest paid | -15,49,26,143 | -19,00,14,228 |
| Total C. Cash Flow from Financial Activities | -53,25,82,161 | 9,13,30,096 |
| Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C) | 1,44,68,325 | 43,92,372 |
| Cash and Cash Equivalents at the Beginning of the Year | 1,98,75,828 | 1,54,83,456 |
| Cash and Cash Equivalents at the End of the Year | 3,43,44,153 | 1,98,75,828 |
| Increase / (Decrease) in Cash and Cash Equivalents (closing minus opening balances) | 1,44,68,325 | 43,92,372 |

As per our report on even date

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

S.B. Pandhare
Partner
M No. 016834
Date : 18.04.2022

Place : Solapur
UIN: 2016834AHGFIT2880

For Balaji Speciality Chemicals Ltd.
On behalf of Board of Directors

N. Rajeshwar Reddy
Managing Director
DIN: 00003854

Lakhan Dargad
Company Secretary

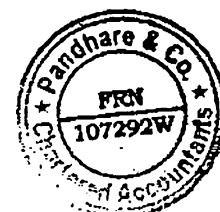
D. Ram Reddy
Director & CFO
DIN: 00003864



BALAJI SPECIALITY CHEMICALS LIMITED
(Formerly known as BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED)
Notes forming part of the Financial Statements

(Rupees)

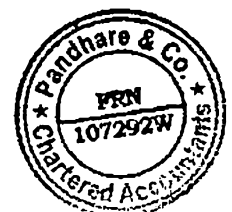
| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Note 3 : Others | | |
| Balance with Scheduled Banks | | |
| In Margin money deposits (towards margin bank guarantees issued by banks.) | 75,37,823 | 70,53,097 |
| Total | 75,37,823 | 70,53,097 |
| Note 4 : Deferred tax assets (net) | | |
| Deferred tax assets : | | |
| Business loss & Unabsorbed depreciation carry forward | 0 | 21,07,75,203 |
| Preliminary Expenses Written Off | 6,33,560 | 0 |
| MAT Credit Entitlement Receivable | 6,45,37,439 | 7,519 |
| Total Deferred tax assets | 6,51,70,999 | 21,07,82,722 |
| Deferred tax liabilities : | | |
| WDV of Fixed Assets | 21,64,11,833 | 19,65,44,245 |
| Total Deferred tax liabilities | 21,64,11,833 | 19,65,44,245 |
| Total | -15,12,40,834 | 1,42,38,477 |
| Note 5 : Other non-current assets | | |
| i) Capital Advances | 0 | 0 |
| ii) Advances other than capital advances | | |
| Advances to Related Parties | 0 | 0 |
| Deposit with Government Departments | 0 | 0 |
| Others-Security Deposits | 1,14,92,775 | 1,14,92,775 |
| iii) Others-(Preliminary Exps.) | 0 | 32,63,534 |
| Total | 1,14,92,775 | 1,47,56,309 |
| Note 6 : Inventories [As verified, valued and certified by the Management] | | |
| Raw Material | | |
| - Domestic | 45,99,042 | 1,13,92,039 |
| - Imported | 3,19,00,863 | 38,42,471 |
| Work-in-Process | 3,12,63,495 | 0 |
| Finished Goods | 7,07,31,800 | 9,02,65,964 |
| Goods-in-transit / at Bonded Warehouse | 2,22,33,552 | 1,37,96,544 |
| Stores, Spares | 2,34,56,108 | 65,50,492 |
| Packing Materials | 1,00,17,328 | 87,00,318 |
| Fuel & Others etc. | 30,68,923 | 55,74,736 |
| Total | 19,72,71,111 | 14,01,22,564 |
| Inventories Pledged as security is same as the Closing Stock of Inventories | | |
| Note 7 : Trade Receivables (Unsecured and considered good) | | |
| - From Related Parties | 32,63,177 | 0 |
| - From Others | 1,61,52,49,379 | 43,17,18,940 |
| Total | 1,61,85,12,556 | 43,17,18,940 |



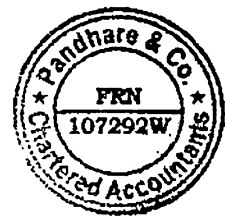
| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Note 8 : Cash and cash equivalents | | |
| Cash in hand | 38,171 | 10,009 |
| Balance with Scheduled Banks | | |
| In Current Accounts | 3,40,83,614 | 1,95,42,669 |
| Total | 3,41,21,785 | 1,95,52,678 |
| Note 9 : Bank balance other than above | | |
| Balance with Scheduled Banks | | |
| In Margin money deposits (towards margin bank guarantees issued by banks.) | 2,22,368 | 3,23,150 |
| Total | 2,22,368 | 3,23,150 |
| Note 10 : Current Loans | | |
| Loans to related parties | 0 | 0 |
| Others | 0 | 0 |
| Total | 0 | 0 |
| Note 11 : Other current assets | | |
| Balance with Revenue Authorities | 10,37,42,451 | 28,81,13,668 |
| Advances to Suppliers other than Capital Advances | 15,36,83,296 | 10,74,20,459 |
| Advances to Related Parties | 0 | 0 |
| Others - Short Term Loans & Advances | 29,14,242 | 15,98,888 |
| Deposit Against Disputed TDS Demand (A.Y. 2018-19) | 4,27,820 | 0 |
| Deposit Against Disputed TDS Demand (A.Y. 2019-20) | 7,01,040 | 0 |
| Total | 26,14,68,849 | 39,71,33,015 |
| Note 12 : Equity share capital | | |
| a. Authorised | | |
| 22,50,00,000 Equity Shares of Rupees 2/- each | 45,00,00,000 | 45,00,00,000 |
| Total | 45,00,00,000 | 45,00,00,000 |
| b. Issued, subscribed & paid up | | |
| 20,00,00,000 Equity Shares of Rs. 2/- each fully paid up | 40,00,00,000 | 40,00,00,000 |
| Total | 40,00,00,000 | 40,00,00,000 |
| c. Statement of Changes in Equity | | |
| Balance at the beginning of the previous reporting period | 40,00,00,000 | 40,00,00,000 |
| Changes in Equity Share Capital due to prior period errors | 0 | 0 |
| Restated balance at the beginning of the previous reporting period | 0 | 0 |
| Changes in equity share capital during the previous year | 0 | 0 |
| Balance at the end of the previous reporting period | 40,00,00,000 | 40,00,00,000 |
| d. Par value of shares | | |
| Par value of shares as on 31 March 2021 was Rs 10/- per share each | | |
| Par value of shares as on 31 March 2022 was Rs 2/- per share each | | |
| e. Number of shares outstanding at beginning of the year | | |
| Number of shares outstanding as on 31 March 2021 was 4,00,00,000.00 | | |
| Number of shares outstanding as on 31 March 2022 was 20,00,00,000.00 | | |
| Note 13 : Other Equity - Reserves and Surplus | | |
| A) Share Premium Account | 44,00,00,000 | 44,00,00,000 |
| Total A | 44,00,00,000 | 44,00,00,000 |
| B) General Reserve | | |
| At the beginning of the year | 0 | 0 |
| Add : Transfer from statement of Profit and Loss | 0 | 0 |
| Total B | 0 | 0 |
| C) Balance in Statement of Profit and Loss brought forward from previous year | -3,76,46,361 | -15,54,92,194 |
| Add : Profit for the year | 1,09,95,98,515 | 11,78,45,833 |
| Balance in Statement of Profit & Loss at the end of year Total | C | -3,76,46,361 |
| Total other equity (A + B + C) | 1,06,19,52,154 | 40,23,53,639 |



| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Note 14 : Borrowings (Refer Annexure to Note 14 for the details) | | |
| 1. Secured | | |
| Term loans | | |
| (i) HDFC Bank Ltd | 43,18,18,176 | 61,36,36,355 |
| (ii) Bank of Baroda | 14,39,25,000 | 23,48,53,415 |
| 2. Unsecured | | |
| (a) Term Loan | | |
| From Banks | 0 | 0 |
| From Other Parties | | |
| (i) Balaji Amines Limited | 66,00,00,000 | 77,34,76,847 |
| (ii) A. Prathap Reddy | 0 | 4,00,00,001 |
| Total | 1,23,57,43,176 | 1,66,19,66,618 |
| Note 15 : Trade payables | | |
| Creditors for MSME | 0 | 0 |
| Creditors Other than MSME | 0 | 5,38,59,146 |
| Total | 0 | 5,38,59,146 |
| Note 16: Borrowings (Refer Annexure to Note 16 for the details) | | |
| a. Secured | | |
| (i) Towards working capital - Repayable on demand | 15,79,11,598 | 10,94,51,509 |
| (ii) Current maturities of long term debt from banks payable within twelve months | 27,27,18,192 | 27,27,18,192 |
| b. Current maturities of finance lease obligations | 1,16,471 | 9,136 |
| Total | 43,07,46,261 | 38,21,78,837 |
| Note 17 : Trade payables | | |
| Creditors for Raw Materials | 7,60,09,615 | 2,72,74,332 |
| Others - Balaji Amines Ltd. | 9,83,75,198 | 9,86,30,844 |
| Creditors for MSME | 5,91,84,649 | 54,42,154 |
| Advances from Customers | 2,681 | 7,99,664 |
| Total | 23,35,72,143 | 13,21,46,994 |
| Note 18 : Other financial liabilities | | |
| (a) Interest accrued but not due on borrowings | 32,80,294 | 35,18,306 |
| (b) Interest accrued and due on borrowings | 0 | 0 |
| (c) Income received in advance | 0 | 0 |
| (d) Unpaid dividends | 0 | 0 |
| (e) Application money received for allotment of securities and due for refund and interest accrued thereon | 0 | 0 |
| (f) Unpaid matured deposits and interest accrued thereon | 0 | 0 |
| (g) Unpaid matured debentures and interest accrued thereon | 0 | 0 |
| (h) Other payables | 0 | 0 |
| Total | 32,80,294 | 35,18,306 |



| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Note 19 : Other current liabilities | | |
| (a) Statutory remittances: | | |
| Tax Deducted at Source (TDS) Payable | 6,48,349 | 1,10,217 |
| Tax Collected at Source (TCS) Payable | 2,844 | 34,695 |
| Professional Tax | 20,100 | 17,275 |
| (b) Other payables | 1,78,41,504 | -39,21,892 |
| Total | 1,85,12,797 | -37,59,705 |
| Note 20 : Provisions | | |
| (a) Provision for employee benefits: | | |
| Salaries | 16,92,531 | 13,93,894 |
| Provident Fund | 3,26,502 | 2,92,388 |
| Employees State Insurance | 55,502 | 48,668 |
| (b) Provision – Others | | |
| Others | 95,70,251 | 84,59,784 |
| Total | 1,16,44,786 | 1,01,94,734 |



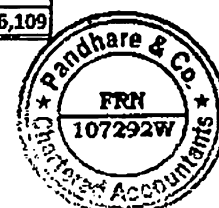
BALAJI SPECIALITY CHEMICALS LIMITED
(Formerly known as BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED)
Notes forming part of the Financial Statements

(Rupees)

| Particulars | For the Period ended March 31, 2022 | For the Period ended March 31, 2021 |
|---|---|---|
| Note 21 : Revenue From Operations | | |
| Sale of Speciality Chemicals (including Export Benefits) Net of Sales Return | 5,15,79,63,180 | 1,80,50,42,336 |
| Total Revenue from operations (Net) | 515,79,63,180 | 180,50,42,336 |
| Note 22 : Other Income | | |
| Interest on Security Deposit | 4,76,606 | 5,15,878 |
| Notice Pay | 73,066 | 13,663 |
| Interest on FDR | 8,20,352 | 4,06,007 |
| Miscellaneous Income | 16,837 | 359 |
| Refund of Stamp Duty | 2,48,100 | 0 |
| Reimbursement of Expenses | 38,43,497 | 18,99,739 |
| Written Off Account | -303 | 72,40,328 |
| Total | 54,78,155 | 1,00,75,974 |
| Note 23 : Cost of material consumed | | |
| Opening Stock | 1,52,34,510 | 1,14,08,732 |
| Add: Purchases | | |
| Raw Material - Domestic | 1,02,11,90,865 | 80,07,31,860 |
| Raw Material - Imports CIF Value | 1,64,13,71,561 | 20,58,99,594 |
| Sub- Total | 2,67,77,96,936 | 1,01,80,40,186 |
| Less : Closing Stock | 3,64,99,905 | 1,52,34,510 |
| Total | 2,64,12,97,031 | 1,00,28,05,676 |
| Net Total | 2,64,12,97,031 | 1,00,28,05,676 |
| Note 24 : Changes in Inventories of Finished Goods & Work in Process | | |
| (a) Opening Stock | | |
| Finished Goods | 9,02,65,964 | 10,87,97,450 |
| Work-in -process | 0 | 2,25,84,995 |
| Sub- Total (a) | 9,02,65,964 | 13,13,82,445 |
| (b) Closing Stock | | |
| Finished Goods | 7,07,31,800 | 9,02,65,964 |
| Work-in -process | 3,12,63,495 | 0 |
| Sub- Total (b) | 10,19,95,295 | 9,02,65,964 |
| Difference of (a) and (b) Increase (-) / Decrease(+) | -1,17,29,331 | 4,11,16,481 |
| Note 25 : Employee benefits | | |
| Salaries,Wages and other allowances | 2,43,36,091 | 1,77,81,141 |
| Lockdown Incentive Reward | 0 | 5,79,661 |
| Premium towards Gratuity Scheme of LIC | 8,16,903 | 7,77,946 |
| Contribution to Provident Fund | 17,24,790 | 12,60,365 |
| Contribution to Employees State Insurance | 4,83,477 | 3,96,236 |
| Contribution to Labour Welfare Fund | 7,632 | 11,436 |
| Staff Welfare Expenses | 6,59,247 | 6,44,025 |
| Mediclaim Insurance of employees | 67,424 | 0 |
| Group Insurance Premium | 44,380 | 36,076 |
| Total | 2,81,39,944 | 2,14,86,886 |
| Note 26 : Finance Cost | | |
| Interest on Working Capital Borrowings | 1,09,19,075 | 55,58,114 |
| Interest on Term loan | 13,60,07,351 | 17,97,73,108 |
| Processing Charges | 19,43,644 | 27,08,938 |
| Interest Cost On Leases As Per Ind AS116 | 11,900 | 5,969 |
| Bank Charges | 60,44,173 | 19,68,099 |
| Total | 15,49,26,143 | 19,00,14,228 |

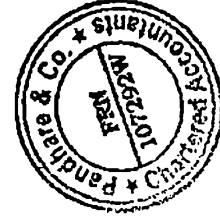


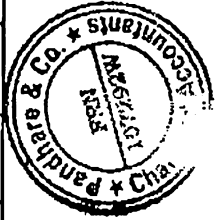
| Particulars | For the Period ended March 31, 2022 | For the Period ended March 31, 2021 |
|--|---|---|
| Note 27: Other Expenses | | |
| a) Manufacturing Expenses | | |
| i) Power and Fuel | 49,08,96,908 | 16,11,26,871 |
| ii) Stores, Spares Consumed | 1,95,39,704 | 60,36,785 |
| iii) Repairs & Maintenance - Plant & Machinery | 85,99,849 | 20,96,860 |
| iv) Repairs & Maintenance - Building & Other | 2,92,114 | 67,023 |
| b) Selling & Distribution Expenses | | |
| i) Advertisement, Publicity & Sales Promotion | 2,83,09,926 | 93,27,312 |
| ii) Discount on Sales | 8,23,041 | 2,52,71,969 |
| iii) Outward Freight | 7,54,05,597 | 4,56,52,175 |
| iv) Packing & Forwarding | 3,89,78,246 | 1,80,56,380 |
| v) Other Selling & Distribution | 1,98,113 | 1,89,593 |
| c) Administrative & General Expenses | | |
| i) Rent | 0 | 0 |
| ii) Rates & Taxes | 12,15,675 | 1,11,17,359 |
| iii) Repairs & Maintenance - Office Equipments | 26,704 | 22,238 |
| iv) Repairs & Maintenance - Furniture | 0 | 0 |
| v) Remuneration to Directors | 0 | 0 |
| v) Auditors Remuneration | 0 | 0 |
| a) Audit Fees | 8,52,000 | 3,82,500 |
| b) Tax Audit Fees | 5,68,000 | 67,500 |
| c) Other Matters (Certification etc.) | 0 | 0 |
| vi) Premium in Respect of "Employer - Employee Policy" Including whole time Directors | 31,97,668 | 0 |
| vii) Other Expenses | 62,51,607 | 41,40,157 |
| viii) Preliminary Expenses written off | 32,63,534 | 10,87,844 |
| d) Insurance | | |
| i) Plant & Machinery & Building | 39,59,735 | 26,87,007 |
| ii) Raw Material & Finished Goods | 15,96,804 | 19,42,587 |
| iii) Public Liability Act | 89,028 | 74,147 |
| e) Foreign Exchange Fluctuations (Gain) / Loss | -1,30,88,648 | -65,72,814 |
| Total | 67,09,75,605 | 28,27,73,493 |
| Note 28 : Deferred Tax | | |
| Deferred tax assets : | | |
| Business loss & Unabsorbed depreciation carry forward | | |
| Opening Balance | -21,07,75,203 | -22,32,94,530 |
| Closing Balance | 0 | -21,07,75,203 |
| Recognised in Profit & Loss Account (A1) | 21,07,75,203 | 1,25,19,327 |
| Preliminary Expenses | | |
| Opening Balance | 0 | 0 |
| Closing Balance | -6,33,560 | 0 |
| Recognised in Profit & Loss Account (A2) | -6,33,560 | 0 |
| MAT Credit Recognition | | |
| Opening Balance | 7,519 | 7,519 |
| Closing Balance | 6,45,37,439 | 7,519 |
| Recognised In Profit & Loss Account (A3) | -6,45,29,920 | 0 |
| Total Deferred tax assets recognised in P&L (A = A1 + A2 + A3) | 14,56,11,723 | 1,25,19,327 |
| Deferred tax liabilities : | | |
| WDV of Fixed Assets | | |
| Opening Balance | 19,65,44,245 | 16,06,67,463 |
| Closing Balance | 21,64,11,833 | 19,65,44,245 |
| Recognised in Profit & Loss Account (B) | 1,98,67,588 | 3,58,76,782 |
| Total Deferred tax liabilities recognised in P&L (A - B) | 1,98,67,588 | 3,58,76,782 |
| Total | 16,54,79,311 | 4,83,96,109 |



BALAJI SPECIALITY CHEMICALS LIMITED
 [Formerly known as BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED]

| Annexure to Note 14: 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 | 8.40% | 66 | 31-10-24 | Secured | 1. 1st part passu charge with HDFC bank on entire fixed asset, land and building and plant & machinery (present & future) located at Plot no. E-8/L, MIDC Chincholi Solapur of the company created / to be created out of the proposed project outlay of Rs. 163.50 Crs. 2. 2nd part 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 - 007LN06200350001 | 50,00,00,000 | 7.50% | 66 | 31-10-24 | Secured | 1. First part passu charge on fixed asset, land and building and plant & machinery located at Plot no. E-8/L, MIDC Chincholi Solapur 2. Corporate Guarantee of M/s. Balaji Amines Limited (company to ensure compliance of applicable provisions of the Companies Act, 2013). 4. Second part passu charge on current assets of the Company. | Monthly | Yes | No | No |
| HDFC Bank Ltd. - Term Loan - 007LN06193340003 | 50,00,00,000 | 7.50% | 66 | 30-05-26 | Secured | | Monthly | Yes | No | No |
| 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 | 66,00,00,000 | 7.00% | 36 | | Unsecured | | Not Defined | No | No | No |





| BALAJI SPECIALITY CHEMICALS LIMITED (Formerly known as BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED) | | | | | | | | | | |
|--|----------------|------------------|-------------------------|------------------|------------------------|--|--------------------|----------------------|--------------------------|--|
| Annexure to Note 16: Borrowings - Current Liabilities | | | | | | | | | | |
| 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 |
| HDFC BANK LTD. C/C NO.28190330000018 | 89,92,553 | 7.10% | On Demand | NA | Secured | <p>Primary Security:</p> <ul style="list-style-type: none"> Current Assets - First Pari Passu charge on current asset of company along with Bank of Baroda Corporate Guarantee - Corporate Guarantee of M/s Balaji Amines Ltd <p>Secondary Security:</p> <ul style="list-style-type: none"> Immovable Fixed assets - First Pari Passu charge on fixed asset, land and building located at Plot No E-8/1 MIDC Chincholi Solapur Movable Fixed assets - First Pari Passu charge on plant & Machinery (Present & Future) located at Plot No E-8/1 MIDC Chincholi Solapur | NA | Yes | No | No |
| HDFC BANK LTD. WCDL A/C NO. 007LN01212980001 | 15,00,00,000 | 6.70% | 1 | 24-11-21 | Secured | <p>Primary Security:</p> <ul style="list-style-type: none"> Current Assets - First Pari Passu charge on all current asset of company along with including stock of raw materials, SIP, stores & spares, packing material, finished goods, book debts and other receivable along with HDFC Bank. Personal Guarantee - If the Personal Guarantee of Mr A Prathap Reddy, Mr N Rajeshwar Reddy, Mr D Ram Reddy, Mr G Hemant Reddy and Mr A Srinivas Reddy are not released by HDFC Bank and Bank of Baroda for their respective limits by 31.03.2022, company has to offer similar personal guarantee to our exposure also. Corporate Guarantee - Corporate Guarantee of M/s Balaji Amines Ltd <p>Secondary Security:</p> <ul style="list-style-type: none"> Immovable Fixed assets - First Pari Passu second charge along with HDFC Bank on entire fixed asset, land (lease hold) and building located at Plot No E-8/1 MIDC Chincholi katb Industrial area, Solapur measuring 41,920 sq Mts. Movable Fixed assets - First Pari Passu second charge along with HDFC Bank on movable fixed asset (including P & M), both Present & Future located at Plot No E-8/1 MIDC Chincholi Solapur | NA | Yes | No | No upto the date of signing the Financials |
| STATE BANK OF INDIA. C/C NO.40674835559 | 61,57,850 | 7.10% | On Demand | NA | Secured | <p>Primary Security:</p> <ul style="list-style-type: none"> Current Assets - First Pari Passu charge on all current asset of company along with including stock of raw materials, SIP, stores & spares, packing material, finished goods, book debts and other receivable along with HDFC Bank. Personal Guarantee - If the Personal Guarantee of Mr A Prathap Reddy, Mr N Rajeshwar Reddy, Mr D Ram Reddy, Mr G Hemant Reddy and Mr A Srinivas Reddy are not released by HDFC Bank and Bank of Baroda for their respective limits by 31.03.2022, company has to offer similar personal guarantee to our exposure also. Corporate Guarantee - Corporate Guarantee of M/s Balaji Amines Ltd <p>Secondary Security:</p> <ul style="list-style-type: none"> Immovable Fixed assets - First Pari Passu second charge along with HDFC Bank on entire fixed asset, land (lease hold) and building located at Plot No E-8/1 MIDC Chincholi katb Industrial area, Solapur measuring 41,920 sq Mts. Movable Fixed assets - First Pari Passu second charge along with HDFC Bank on movable fixed asset (including P & M), both Present & Future located at Plot No E-8/1 MIDC Chincholi Solapur | NA | Yes | No | No upto the date of signing the Financials |
| STATE BANK OF INDIA. C/C NO.40830367222 | 17,53,748 | 7.10% | On Demand | NA | Secured | <p>Primary Security:</p> <ul style="list-style-type: none"> Current Assets - First Pari Passu charge on all current asset of company along with including stock of raw materials, SIP, stores & spares, packing material, finished goods, book debts and other receivable along with HDFC Bank. Personal Guarantee - If the Personal Guarantee of Mr A Prathap Reddy, Mr N Rajeshwar Reddy, Mr D Ram Reddy, Mr G Hemant Reddy and Mr A Srinivas Reddy are not released by HDFC Bank and Bank of Baroda for their respective limits by 31.03.2022, company has to offer similar personal guarantee to our exposure also. Corporate Guarantee - Corporate Guarantee of M/s Balaji Amines Ltd <p>Secondary Security:</p> <ul style="list-style-type: none"> Immovable Fixed assets - First Pari Passu second charge along with HDFC Bank on entire fixed asset, land (lease hold) and building located at Plot No E-8/1 MIDC Chincholi katb Industrial area, Solapur measuring 41,920 sq Mts. Movable Fixed assets - First Pari Passu second charge along with HDFC Bank on movable fixed asset (including P & M), both Present & Future located at Plot No E-8/1 MIDC Chincholi Solapur | NA | Yes | No | No upto the date of signing the Financials |

BALAJI SPECIALITY CHEMICALS LIMITED
(Formerly known as BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED)

NOTES TO ACCOUNTS:

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED March 31, 2022

NOTE (A) :

| 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 |

NOTE (B) :

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

NOTE (C) :

Shares in respect of each class in the company

| Particulars | No. of shares |
|---|---------------|
| 1. Holding company | 11,00,00,000 |
| 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 |

NOTE (D) :

Par value of shares Rs. 2

NOTE (E) :

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 half year ended 31.10.2021 | | | |
|---|-------------------------|---------------|------------|
| Sl. No. | Name of the Shareholder | No. of Shares | Percentage |
| 1. | Balaji Amines Limited | 11,00,00,000 | 55.00% |
| 2. | Ande Srinivas Reddy | 1,80,00,000 | 9.00% |
| 3. | Ande Prathap Reddy | 1,35,00,000 | 6.75% |



(27)

NOTE (F) :

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.

NOTE (G) :

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

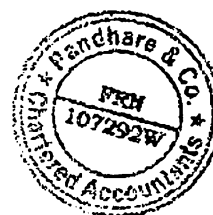
NOTE (H) :

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 |

NOTE (I) :**Reserves & Surplus**

| Particulars | As on March 31, 2022 | As on March 31, 2021 |
|---|----------------------|----------------------|
| 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 | 1,06,19,52,154 | -3,76,46,361 |
| 7. Transitional Provision of Ind AS 116 | 0.00 | 0.00 |



BALAJI SPECIALITY CHEMICALS LIMITED
(Formerly known as BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED)

NOTES TO ACCOUNTS:

NOTE (J) :

Related party transactions

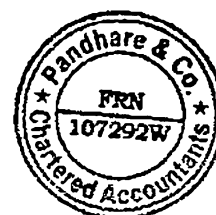
a) Name of Related Party where Control exists and also where transactions have taken place during the year

| Name | Type |
|--------------------------------|---|
| Balaji Amines Limited. | Parent Holding Company. |
| MVL Medisynth Pvt. Ltd. | Co where relatives of KMP are Interested |
| SVS SOURCINGS PRIVATE LIMITED | 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) |

b) Key Management personnel compensation

(Rupees)

| Particulars | 31 March 2022 | 31 March 2021 |
|--------------------------------|---------------|---------------|
| 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 |
| Total compensation | 0 | 0 |



C) Transactions with related parties

(Rupees)

| Particulars | 31 March 2022 | 31 March 2021 | Relationship |
|--------------------------------------|---------------|---------------|--|
| Balaji Amines Limited. | | | |
| Purchase of Goods & Services | 93,23,41,017 | 79,88,20,135 | Holding Company |
| Sale of Goods & Services | 20,26,18,366 | 16,94,65,940 | Holding Company |
| Lease Rent of Office | 60,000 | 60,000 | Holding Company |
| Interest Charged | 5,43,19,193 | 6,04,38,446 | Holding Company |
| Loan accepted in the year | 2,00,00,000 | 31,00,00,000 | Holding Company |
| Loan Repayment in the year | 13,34,76,847 | 0 | Holding Company |
| | | | |
| SVS SOURCINGS PRIVATE LIMITED | | | |
| Purchase of Goods & Services | 0 | 0 | Co where relatives of KMP are interested |
| Sale of Goods & Services | 90,65,250 | 0 | Co where relatives of KMP are interested |

d) Outstanding balances

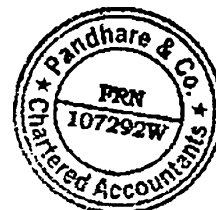
(Rupees)

| Particulars | 31 March 2022 | 31 March 2021 | Relationship |
|-------------------------------|---------------|---------------|-----------------|
| Balaji Amines Limited. | | | |
| Equity Share capital | 22,00,00,000 | 22,00,00,000 | Holding Company |
| Trade payables | 9,83,75,198 | 9,86,30,844 | Holding Company |

e) Loans from related parties

(Rupees)

| Particulars | 31 March 2022 | 31 March 2021 | Relationship |
|--|---------------|---------------|--------------------------------|
| Balaji Amines Limited. | | | Holding Company |
| Beginning of the year | 77,34,76,847 | 46,34,76,847 | |
| Loans advanced | 2,00,00,000 | 31,00,00,000 | |
| Loan repayment | 13,34,76,847 | 0 | |
| Interest charged | 5,43,19,193 | 6,04,38,446 | |
| Interest received | 0 | 0 | |
| End of the year | 66,00,00,000 | 77,34,76,847 | |
| Loans advanced & repayment was quarterly net off | | | |
| | | | |
| Ande Prathap Reddy | | | Key Management Personnel (KMP) |
| Beginning of the year | 4,00,00,001 | 4,00,00,001 | |
| Loans advanced | 0 | 0 | |
| Loan repayment received | 4,00,00,001 | 0 | |
| Interest charged | 6,59,727 | 30,92,605 | |
| Interest received | 0 | 0 | |
| End of the year | 0 | 4,00,00,001 | |



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