M.ANANDAM & CO.,

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Balaji Speciality Chemicals Limited (formerly Balaji Speciality Chemicals Private Limited)

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying Special Purpose Financial Statements of **Balaji Speciality Chemicals Limited (formerly Balaji Speciality Chemicals Private Limited)**, which comprise the Balance Sheet as at March 31, 2022, Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information and disclosures. The Special Purpose Financial Statements have been prepared by the Management of the Company in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose 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 special purpose financial statements, 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.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2021 and included in these Financial Statements, are based on the previously issued statutory financial statements for the year ended March 31, 2021 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the predecessor auditor who expressed an unmodified opinion vide reports dated May 22, 2021.

Our opinion is not modified in respect of this matter.

Basis of Accounting and Restriction on Distribution and Use

The accompanying Special Purpose Financial Statements have been prepared by the Company in accordance with the basis of preparation mentioned in Note.2 of these Special Purpose Financial Statements, as per the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. As a result, these Special Purpose Financial Statements may not be suitable for another purpose. Our report is not modified in this regard. Accordingly, this report is being issued solely for the said purpose and should not be used, referred to or distributed for any other purpose.

7 'A', SURYA TOWERS, SARDAR PATEL ROAD, SECUNDERABAD – 500003.
PHONE: 2781 2377, 2781 2034, FAX:2781 2091

We shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Responsibilities of Management and Those charged with Governance for Special Purpose Financial Statements

The Board of Directors of the Company is responsible for the preparation and presentation of these Special Purpose Financial Statements in accordance with the basis of preparation mentioned in Note.2 of these Special Purpose Financial Statements. The Board of Directors of the Company is responsible for design, implementation, and maintenance of such internal control as management determines is necessary to enable the preparation of special purpose consolidated financial statement that are free from material misstatement whether due to fraud or error.

In preparing the Special Purpose financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating 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 charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose 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 special purpose financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Special Purpose Financial Statements.

For M Anandam & Co.,
Chartered Accountants
(Firm Registration No. 000125S)

M.V Ranganath
Partner
Membership No.028031
UDIN: 22028031ANUTFZ8679

Place: Secunderabad
Date: July 28, 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE SPECIAL PURPOSE FINANCIAL STATEMENTS OF BALAJI SPECIALITY CHEMICALS LIMITED (FORMERLY KNOWN AS BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED)

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

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

- Identify and assess the risks of material misstatement of the Special Purpose 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, but not for expressing our opinion on whether the company has internal financial controls with reference to special purpose financial statements 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 special purpose 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i)

M. ANANDAM & CO. SECUNDERABAD CHARTERED ACCOUNTANTS

planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

For M Anandam & Co.,
Chartered Accountants
(Firm Registration No. 000125S)

M.V.Ranganath
Partner
Membership No.028031
UDIN: 22028031ANUTFZ8679

Place: Secunderabad
Date: July 28, 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE SPECIAL PURPOSE FINANCIAL STATEMENTS OF BALAJI SPECIALITY CHEMICALS LIMITED (FORMERLY KNOWN AS BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED)

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing our opinion on whether the company has internal financial controls with reference to special purpose financial statements 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 special purpose 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.

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M. ANANDAM & CO. SECUNDERABAD CHARTERED ACCOUNTANTS

financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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For M Anandam & Co.,
Chartered Accountants
(Firm Registration No. 000125S)

M.V.Ranganath
Partner
Membership No.028031
UDIN: 22028031ANUTFZ8679

Place: Secunderabad
Date: July 28, 2022

BALAJI SPECIALITY CHEMICALS LIMITED (Formerly known as BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED)
BALANCE SHEET AS AT MARCH 31, 2022
(All amounts are in rupees in millions, except share data or otherwise stated)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
I. ASSETS			
Non-current assets			
(a) Property, plant and equipment	2.1	1,878.61	2,002.99
(b) Right-of-use assets	2.2	0.11	0.01
(c) Financial assets			
Other financial assets	3	19.03	18.55
(d) Deferred tax assets (net)	4	-	14.24
(e) Other non-current assets	5	1.13	3.26
		1,898.88	2,039.05
Current Assets			
(a) Inventories	6	220.04	140.12
(b) Financial assets			
(i) Trade receivables	7	1,559.40	431.72
(ii) Cash and cash equivalents	8	34.12	19.55
(iii) Bank balances other than (ii) above	9	0.22	0.32
(iv) Other financial assets	10	0.43	4.41
(c) Current tax assets (net)	11	-	14.56
(d) Other current assets	12	303.01	396.66
		2,117.22	1,007.35
TOTAL ASSETS		4,016.10	3,046.40
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	400.00	400.00
(b) Other equity	14	1,474.79	402.35
		1,874.79	802.35
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	1,235.74	1,661.97
(ii) Lease liabilities	2.3	0.06	-
(b) Provisions	16	1.70	-
(c) Deferred tax liabilities (net)	17	149.18	-
(d) Other non current liabilities	18	17.83	-
		1,404.51	1,661.97
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	19	430.63	382.17
(ii) Lease liabilities	2.3	0.05	0.01
(iii) Trade payables	20		
a) Total outstanding dues of micro enterprises and small enterprises		59.18	5.44
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		165.82	125.91
(iv) Other financial liabilities	21	23.11	67.25
(b) Other current liabilities	22	35.29	1.30
(c) Provisions	23	0.04	-
(d) Current tax liabilities (net)	24	22.66	-
		736.79	582.08
TOTAL EQUITY AND LIABILITIES		4,016.10	3,046.39
Summary of significant accounting policies	1		

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

As per our examination report of even date
For M.Anandam & Co.,
Chartered Accountants
(Firm Registration Number: 000125S)

M.V Ranganath
Partner
Membership Number: 028031

Place: Hyderabad
Date: July 28, 2022

M. ANANDAM & CO. * SECUNDERABAD * CHARTERED ACCOUNTANTS

On behalf of Board of Directors

N.Rajeshwar Reddy
Managing Director
DIN : 00003854

D. Ram Reddy
Wholetime Director
DIN : 00003864

Balaji Specialities Chemicals Ltd.

B. Srinivas
Company Secretary
Membership Number: 67430

PardeepSingh RameshSingh Watwani
Chief Financial Officer
ABSPW1999F

Place: Solapur
Date: July 28, 2022

BALAJI SPECIALITY CHEMICALS LIMITED (Formerly known as BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are in rupees in millions, except share data or otherwise stated)

Particulars	Note	Year ended March 31, 2022	Year ended March 31, 2021
I. Income			
Revenue from operations	25	5,142.80	1,779.77
Other income	26	17.62	14.75
Total income		5,160.42	1,794.52
II. Expenses			
Cost of materials consumed	27	2,641.29	1,002.81
Changes in inventories of finished goods and work-in-progress	28	(12.50)	41.12
Employee benefits expense	29	32.24	21.62
Finance costs	30	154.93	190.01
Depreciation and amortization expense	31	128.35	110.68
Other expenses	32	675.57	262.05
Total expenses		3,619.88	1,628.28
III. Profit before tax (I-II)		1,540.54	166.24
IV. Tax expense:			
(1) Current tax		271.07	-
(2) Earlier year's tax		-	-
(3) Deferred tax		180.02	48.40
Total tax expense		451.09	48.40
V. Profit for the year (III- IV)		1,089.45	117.84
VI. Other comprehensive income			
Items that will not be reclassified to profit or loss			
a) Re-measurement gains/ (losses) of post-employment defined benefit plans		0.03	-
b) Income tax relating to item (a) above		(0.01)	-
Other comprehensive income (net of tax)		0.02	-
VII. Total comprehensive income for the year		1,089.47	117.84
VIII. Earnings per equity share (Face value of Rs. 2/- each)			
(1) Basic (in Rs.)	34	5.45	0.59
(2) Diluted (in Rs.)		5.45	0.59
Summary of significant accounting policies	1		

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

As per our report of even date
For M.Anandam & Co.,
Chartered Accountants
(Firm Registration Number: 000125S)

M.V Rangarath
Partner
Membership Number: 028031

Place: Hyderabad
Date: July 28, 2022

On behalf of Board of Directors

N.Rajeshwar Reddy
Managing Director
DIN : 00003854

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PardeepSingh RameshSingh Watwani
Chief Financial Officer
ABSPW1999F

Place: Solapur
Date: July 28, 2022

BALAJI SPECIALITY CHEMICALS LIMITED (Formerly known as BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED)
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are in rupees in millions, except share data or otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Cash flow from operating activities		
Profit/(Loss) before tax	1,540.54	166.24
Adjustments for:		
Depreciation and amortisation expenses	128.35	110.68
Liabilities no longer required written back	-	(7.24)
Interest on borrowings	146.93	185.33
Interest on lease liabilities	0.01	0.01
Interest Income	(1.30)	(0.92)
Operating cash flow before working capital changes	1,814.53	454.09
Changes in operating assets and liabilities		
(Increase) / decrease in Inventories	(93.69)	26.11
(Increase)/ decrease in Trade receivables	(1,127.68)	(96.09)
(Increase) / decrease in Financial assets other than trade receivables	4.04	(3.52)
(Increase) / decrease in Other assets	106.59	(82.04)
Increase/ (decrease) in Trade payables	93.66	(62.80)
Increase / (decrease) in other financial liabilities	(43.89)	(26.00)
Increase / (decrease) in provisions	0.51	-
Increase / (decrease) in other liabilities	34.46	(11.30)
Cash generated from operations	788.53	198.45
Income taxes paid	(246.39)	(14.00)
Net cash flow from/(used in) operating activities	542.14	184.45
Cash flows from investing activities		
Purchase of property, plant and equipment	(3.92)	(0.42)
(Increase) / decrease in Capital Advances	-	0.06
Interest income on deposits and others	1.34	1.37
Net cash inflow from/ (used in) investing activities	(2.58)	1.02
Cash flow from financing activities		
Proceeds from non-current borrowings	120.00	343.44
Repayment from non-current borrowings	(546.23)	(253.13)
Proceeds/ (repayment) from current borrowings (net)	48.46	(81.70)
Interest Paid	(147.17)	(189.22)
Payment for lease liabilities	(0.06)	(0.06)
Net cash inflow from/ (used in) financing activities	(525.00)	(180.66)
Net increase (decrease) in cash and cash equivalents	14.57	4.81
Cash and Cash equivalents at the beginning of the year	19.55	14.74
Cash and Cash equivalents at the end of the year	34.12	19.55
Reconciliation of Cash and Cash equivalents with the Balance Sheet		
Cash and Bank Balances as per Balance Sheet		
Balance with banks		
- in current accounts		
- Debit balance in cash credit accounts	25.09	19.54
Cash on hand	8.99	-
Cash and Cash equivalents at the end of the year	0.04	0.01
	34.12	19.55

Notes :

Cash flow statement has been prepared under the indirect method as set out in Ind AS - 7 specified under Section 133 of the Companies Act, 2013.

As per our report of even date
For M.Anandam & Co.,
Chartered Accountants
(Firm Registration Number: 000125S)

M.V Ranganath
Partner
Membership Number: 028031

Place: Hyderabad
Date: July 28, 2022

M. ANANDAM & CO. * SECUNDERABAD * CHARTERED ACCOUNTANTS

On behalf of Board of Directors

N.Rajeshwar Reddy
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Balaji Speciality Chemicals Ltd.

Place: Solapur
Date: July 28, 2022

BALAJI SPECIALITY CHEMICALS LIMITED (Formerly known as BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED)
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in rupees in millions, except share data or otherwise stated)

a. Equity share capital

Particulars	March 31, 2022		March 31, 2021	
	Number of Shares	Amount	Number of Shares	Amount
Balance at the beginning of the reporting year	4,00,00,000	400.00	4,00,00,000	400.00
Add: Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the year	4,00,00,000	400.00	4,00,00,000	400.00
Increase in shares on account of subdivision*	16,00,00,000	-	-	-
Balance outstanding at the end of the year	20,00,00,000	400.00	4,00,00,000	400.00

* The Company has only one class of equity shares having a par value of Rs. 2 per share (March 31, 2022).
During the year ended March 31, 2022, pursuant to the special resolution passed in the extra-ordinary general meeting held on February 26, 2022, the equity shares of the Company having face value of ₹10 each were subdivided into five equity shares having a face value of ₹2 each. Accordingly, 4,00,00,000 equity shares of face value of Rs.10 each were subdivided into 20,00,00,0000 equity shares of face value of Rs.2 each.

b. Other equity

Particulars	Reserves and surplus		
	Securities premium	Retained earnings	Total
Balance as at April 1, 2020	440.00	(155.49)	284.51
Profit for the year	-	117.84	117.84
Other comprehensive income/(loss) (net of tax)	-	-	-
Balance as at April 1, 2021	440.00	(37.65)	402.35
Profit for the year	-	1,089.45	1,089.45
Cumulative effect of adjustments carried out in the Restated Financial statements	-	(17.03)	(17.03)
Dividends			
Other comprehensive income/(loss) (net of tax)	-	-	-
Balance as at March 31, 2022	-	0.02	0.02
Notes:	440.00	1,034.79	1,474.79

Refer note no.14 for description of the nature and purpose of each reserve within other equity.

As per our report of even date
For M.Anandam & Co.,
Chartered Accountants
(Firm Registration Number: 000125S)

M.V Ranganath
Partner
Membership Number: 028031

Place: Hyderabad
Date: July 28, 2022

On behalf of Board of Directors

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PardeepSingh RameshSingh Watwani
Chief Financial Officer
ABSPW1999F

Place: Solapur
Date: July 28, 2022

BALAJI SPECIALITY CHEMICALS LIMITED (Formerly known as BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED)
Annexure V
Summary of Significant Accounting Policies
(All amounts are in rupees millions, except share data or otherwise stated)

1 Corporate Information

Balaji Speciality Chemicals Limited. (BSCL) (Formerly known as Balaji Speciality Chemicals Private Limited), is a Public Limited company incorporated in India under the provisions of the Companies Act.. The Company is domiciled in India, having its registered office located at 2nd Floor, Balaji Towers, No.9/1A/1, Hotgi Road, Aasara Chowk, Solapur, Maharastra - 413224. It is a subsidiary of Balaji Amines Limited ('BAL'), which is a Public Limited Company listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), in India. Balaji Speciality Chemicals Ltd., is engaged in manufacturing of speciality chemicals with a plant capacity of 30,000 TPA.

The Company was converted into a public limited company under the Companies Act, 2013 on March 17, 2022 and consequently, the name was changed to " Balaji Speciality Chemicals Limited".

2 Basis of preparation and measurement

(i) Statement of compliance & Basis of preparation

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, notified under section 133 of the Companies Act, 2013, ("Act") and other relevant provisions of the Act.

The Special Purpose Financial Statements for the year ended March 31, 2022 are re-audited by us pursuant to the Clause 11 of the Schedule VI - Disclosures in the Offer Document, Abridged Prospectus and Abridged Letter of Offer under The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

The financial statements have been prepared on a going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires change in accounting policy hitherto in use.

The financial statements were approved by the Board of Directors and authorised for issue on July 28, 2022.

(ii) Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All financial information presented in Indian rupees have been rounded-off to two decimal places to the nearest million except share data or as otherwise stated.

(iii) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

- Certain financial assets and liabilities :	Measured at fair value
- Net defined benefit (asset)/ liability :	Fair value of plan assets less present value of defined benefit obligations
- Borrowings :	Amortised cost using effective interest rate method

(iv) Use of estimates and judgements

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment, impairment of property, plant and equipment, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 1 - determining an asset's expected useful life and the expected residual value at the end of its life;
- Note 7, 8 & 9 - Impairment of financial assets;
- Note 35 - measurement of defined benefit obligations: key actuarial assumptions;
- Notes 39 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

Measurement of fair values

Company accounting polices and disclosures require measurement of fair value for both financial and non-financial assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Balaji Speciality Chemicals Ltd.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in the measuring fair values is included in the following notes:
- Note 34 - Financial instruments

(v) **Current and non-current classification:**

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current. The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

Assets

An asset is classified as a current when:
- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is expected to be realized within twelve months from the reporting date;
- it is held primarily for the purposes of being traded; or
- is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities

A liability is classified as a current when:
- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is due to be settled within twelve months from the reporting date;
- it is held primarily for the purposes of being traded;
- Deferred tax assets/liabilities are classified as non-current.
- the Company does not have an unconditional right to defer settlement of liability for at least twelve months from the reporting date.

Operating Cycle

Operating cycle is the time between the acquisition of assets for processing and realisation in cash or cash equivalents. The Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

3 **Summary of significant accounting policies**

A **• Revenue recognition**

(i) Revenue from contract with customers

Revenue is recognised when the performance obligations have been satisfied, which is once control of the goods is transferred from the Company to the customer.

Revenue related to the sale of goods is recognised when the product is delivered to the destination specified by the customer, and the customer has gained control through their ability to direct the use of and obtain substantially all the benefits from the asset.

Revenue is measured based on consideration specified in the contract with a customer which is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates and excludes amounts collected on behalf of third parties.

(ii) Recognition of interest income, dividend income and export benefits

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

Dividend income is recognised when the right to receive the income is established.

Export benefit under the duty free credit entitlements is recognized in the statement of profit and loss, when right to receive such entitlement is established as per terms of the relevant scheme in respect of exports made and where there is no significant uncertainty regarding compliance with the terms and conditions of such scheme.

B **• Property, plant and equipment (PPE)**

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

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

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

Leasehold improvements are stated at cost including taxes, freight and other incidental expenses incurred, *net of input tax credits availed.* The depreciation is provided over the life estimated by the management.

C **• Capital work-in-progress**

Capital work-in-progress is recognized at cost. It comprises of property, plant and equipment that are not yet ready for their intended use at the reporting date.

D **• Depreciation**

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on the straight line method over the useful lives as prescribed in Schedule II to the Act.

E **• Investments**

Investments representing equity interest carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

F • **Government grants, subsidies and export incentives**

Grants from the government are recognised at fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs they are intended to compensate and presented within other income.

Government grants relating to the purchase of Property, Plant and Equipment are included in non-current liabilities as deferred income and are credited to profit and loss on a straight line basis over the expected lives of the related assets and presented within other income.

The benefit of a government loan at below current market rate of interest is treated as a government grant.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Non-monetary grants are recognised

and disclosed as 'deferred income' under non-current liability in the Balance Sheet and transferred to the Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

G • **Leases**

As a Lessee:

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether:

The Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the balance lease term of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset shall be separately presented in the Balance Sheet and lease payments shall be classified as financing cash flows.

As a Lessor:

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Operating lease – Rentals payable under operating leases are charged to the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are utilised.

H • **Employee benefits:**

Short-term employee benefits

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

Other long-term employee benefit obligations

The liabilities for earned leave is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligations. Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Defined benefit plan - Gratuity obligation

The liability or assets recognized in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss. The gratuity liability is covered through a recognized Gratuity Fund managed by Life Insurance Corporation of India and the contributions made under the scheme are charged to Statement of Profit and Loss.

Defind contribution plans
The Company pays provident fund contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

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

Tax expense for the year comprises current and deferred tax.
Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax relating to items recognized directly in equity or other comprehensive income is recognised in equity or other comprehensive income and not in the Statement of Profit and Loss.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they are related to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

J • **Inventories**
Inventories includes stock of raw materials, stores and spares and packing materials, that are valued at the lower of cost and the net realisable value. Cost is determined on First-in-First-out basis. Finished goods and Work-in-progress are valued at lower of cost and net realisable value. Cost for this purpose, does not include duties/taxes that are recoverable in future.Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location after adjusting for recoverable taxes, if any.

K • **Borrowing Costs**
Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale.
Investment income earned if any on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization. Other borrowings costs are expensed in the period in which they are incurred.

L • **Foreign Currency Transactions**
The financial statements of the Company are presented in Indian rupees, which is the functional currency of the Company and the presentation currency for the financial statements. Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year end exchange rates. Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

M • **Impairment of Assets**
(i). Impairment of financial instruments
The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost and trade receivables. At each reporting date, the Company assesses whether these financial assets are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.
12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

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On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost : These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial Liabilities:

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit or loss.

Derecognition - Financial assets

A Financial asset is primarily derecognised when the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Derecognition - Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Financial Instruments Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if there is a currently and legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

P *** Provisions, Contingent liabilities and Contingent assets**

The Company recognises provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources and reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to the reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent Liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realised.

Q *** Standards issued but not yet effective**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022 , MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022 applicable from 1st April, 2022. Amendments applicable to the Company are given below:

Ind AS 16 - Proceeds before intended use - The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment, amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in the statement of profit and loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 - Onerous Contracts - Costs of Fulfilling a Contract - The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 - Annual Improvements to Ind AS (2021) - The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

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When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses
Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off
The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Impairment of non-financial assets
The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are Companyed together into cash-generating units (CGUs). Each CGU represents the smallest Company of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

N **Earnings Per Share**

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

O **Financial instruments**

A financial instrument is any contract that gives rise to a Financial Asset of one entity and Financial liability or equity instrument of another entity.

(i) Initial measurement and recognition

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and subsequent measurement

Financial assets

All financial assets except Trade receivables are initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are categorised as under:
- amortised cost;
- Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
- Fair Value Through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Balaji Speciality Chemicals Ltd.

BALAJI SPECIALITY CHEMICALS LIMITED (Formerly known as BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED)
Notes forming part of the financial statements for the year ended March 31, 2022
(All amounts are in rupees in millions, except share data or otherwise stated)

1. Property, plant and equipment

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount
	As at April 1, 2021	Additions	Deletions	As at March 31, 2022	As at April 1, 2021	For the year	On disposals	As at March 31, 2022	As at March 31, 2022
Freehold land	5.49	0.12	-	5.61	0.62	0.35	-	0.97	4.64
Leasehold land	8.43	-	-	8.43	0.19	0.10	-	0.29	8.14
Buildings	287.85	-	-	287.85	16.36	9.12	-	25.47	262.38
Plant and machinery	1,884.62	3.77	-	1,888.39	167.38	118.46	-	285.84	1,602.55
Furniture and fixtures	0.90	-	-	0.90	0.15	0.10	-	0.25	0.65
Office equipment	0.26	-	-	0.26	0.09	0.04	-	0.13	0.13
Computers	0.43	0.03	-	0.46	0.22	0.14	-	0.36	0.11
TOTAL	2,187.99	3.92	-	2,191.91	185.00	128.30	-	313.30	1,878.61

3.1 (b) Property, plant and equipment

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount
	As at 1st April 2020	Additions	Deletions	As at 31st March 2021	As at 1st April 2020	For the year	On disposals	As at 31st March 2021	As at 31st March 2021
Freehold land	5.49	-	-	5.49	0.27	0.34	-	0.62	4.87
Leasehold land	8.43	-	-	8.43	0.10	0.10	-	0.19	8.24
Buildings	287.85		-	287.85	7.24	9.12	-	16.36	271.49
Plant and machinery	1,884.27	0.35	-	1,884.62	66.56	100.81	-	167.38	1,717.25
Furniture and fixtures	0.90		-	0.90	0.07	0.09	-	0.15	0.75
Office equipment	0.26		-	0.26	0.04	0.05	-	0.09	0.17
Computers	0.37	0.07	-	0.43	0.09	0.12	-	0.22	0.22
TOTAL	2,187.57	0.42	-	2,187.99	74.37	110.63	-	185.00	2,002.99

2.2 Right-of-use assets

The Company has lease contract mainly for office buildings used for its operations. Leases of office building generally have a lease term of 3 years which got completed on May 31, 2021. The same lease was further renewed for next 3 years i.e. from June 01, 2021 to May 31, 2024. The company's obligations under its leases are secured by the lessor's title to the leased assets.

Movement in Right of use assets is given below:

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	0.01	0.06
Add: Additions during the year	0.16	-
Less: Deletions during the year	-	-
Less: Amortisation during the year	0.05	0.05
Closing Balance	0.11	0.01

The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expense in the Statement of Profit and Loss.

Balaji Speciality Chemicals Ltd.

2.3 Lease liabilities

The following is the break-up of current and non-current lease liabilities:

Particulars	As at March 31, 2022	As at 31 March 2021
Current lease liabilities	0.05	0.01
Non-current lease liabilities	0.06	-
Total	0.11	0.01

Movement in Lease liabilities is given below:

Particulars	As at March 31, 2022	As at 31 March 2021
Balance at the beginning of the year	0.01	0.06
Additions during the year	0.15	-
Finance Cost accrued during the year	0.01	0.01
Deletions	-	-
Payment of lease liabilities	0.06	0.06
Balance at the end of the year	0.11	0.01

(iii) Contractual maturities of lease liabilities on undiscounted basis

Particulars	As at March 31, 2022	As at 31st March 2021
Less than one year	0.06	0.06
One to three years	0.07	0.13
More than five years	-	
Total	0.13	0.19

3. Other financial assets (non-current)

Particulars	As at March 31, 2022	As at March 31, 2021
Earmarked balances with banks		
Margin money deposits with banks against bank guarantees	7.54	7.05
Others		
Security Deposits	11.49	11.49
Total	19.03	18.55

4. Deferred tax assets (net)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Deferred tax assets on account of:		
(a) Carried forward losses/ Expenses allowable under IT Act	-	210.78
(b) Unused tax credits	-	0.01
(ii) Deferred tax liabilities on timing difference due to:		
Depreciation and amortisation expenses	-	196.54
Deferred tax assets (net) (i) -(ii)	-	14.24

5. Other non-current assets

Particulars	As at March 31, 2022	As at March 31, 2021
Taxes paid under protest	1.13	-
Preliminary Expenses	-	3.26
Total	1.13	3.26

6. Inventories (Valued at lower of cost and net realisable value, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials (includes goods-in-transit of Rs.22.24 millions)	58.74	29.03
Work-in-progress	31.26	-
Finished goods	93.49	90.27
Stores and spares	23.46	6.55
Packing materials	10.02	8.70
Fuel and other etc.,	3.07	5.57
Total	220.04	140.12

6.1 For inventories secured against borrowings, refer note no.19 to the financial statements.

7. Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables considered good - unsecured	1,559.40	431.72
Total	1,559.40	431.72

* Includes amount receivable from related parties (refer note 38).

7.1.1 For Trade receivables secured against borrowings, refer note no. 19 to the financial statements.

7.1.2 For Company's exposure to the market risk and credit risk, refer note no. 39 to the financial statements.

Trade Receivables ageing schedule

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	1,559.40	-	-	-	-	1,559.40
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-
Total	1,559.40	-	-	-	-	1,559.40

Balaji Speciality Chemicals Ltd.

3. Other financial assets (non-current)

Trade Receivables ageing schedule

As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	431.72	-	-	-	-	431.72
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-
Total	431.72	-	-	-	-	431.72

8. Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
a) Balances with banks		
in current accounts	25.09	19.54
Debit balance in cash credit accounts	8.99	-
b) Cash on hand	0.04	0.01
Total	34.12	19.55

9. Other bank balances

Particulars	As at March 31, 2022	As at March 31, 2021
Earmarked balances with banks		
Margin money deposit accounts	0.22	0.32
Total	0.22	0.32

10. Other financial assets (current)

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued on deposits and others	0.43	0.48
Export Credit Receivable	-	3.94
Total	0.43	4.41

11. Current tax assets (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance tax (net of provision for tax)	-	14.56
Total	-	14.56

12. Other current assets

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	2.78	1.60
Advances to suppliers	153.68	107.42
GST Input and Refund Receivable	146.55	287.64
Total	303.01	396.66

Balaji Speciality Chemicals Ltd.

3. Other financial assets (non-current)

13. Equity share capital

Particulars	As at March 31, 2022	As at March 31, 2021
AUTHORIZED		
22,50,00,000 equity shares of Rs. 2/- each	450.00	450.00
(P.Y - 4,50,00,000 equity shares of Rs. 10/- each)		
Total	450.00	450.00
ISSUED, SUBSCRIBED & PAID-UP CAPITAL		
20,00,00,000 equity shares of Rs. 2/- each, paidup	400.00	400.00
(P.Y - 4,00,00,000 equity shares of Rs. 10/- each, paidup)		
Total	400.00	400.00

(A) Movement in equity share capital:

Particulars	Number of shares	Amount
Balance at April 1, 2020	4,00,00,000	400.00
Movement during the year	-	-
Balance at March 31, 2021	4,00,00,000	400.00
Increase on account of subdivision of shares (Refer note below)	16,00,00,000	-
Balance at March 31, 2022	20,00,00,000	400.00

(B) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% holding	No. of Shares	% holding
Balaji Amines Limited	11,00,00,000	55.00%	2,20,00,000	55.00%
Ande Srinivas Reddy	1,80,00,000	9.00%	36,00,000	9.00%
Balaji speciality Fine Chem Products Private Limited	-	0.00%	43,00,000	1075.00%
Ande Prathap Reddy	1,35,00,000	6.75%	6,36,000	1.59%

(C) Terms/Rights attached to equity shares

The company has only one class of equity shares having a face value of Rs. 2/- each (P.Y Rs. 10/- each). Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(D) Sub division of equity shares

The Company has only one class of equity shares having a par value of Rs. 2 per share (P.Y Rs. 10/- each). During the year ended March 31, 2022, pursuant to the special resolution passed in the extra-ordinary general meeting held on February 26, 2022, equity share of the Company having face value of ₹10 each were subdivided into five equity shares having a face value of ₹2 each. Accordingly, the authorised share capital is changed to 22,50,00,000 equity shares of Rs.2 each and issued, subscribed and fully paid-up capital is changed to 20,00,00,000 equity shares of Rs.2 each. Hence, 4,00,00,000 Equity Shares of Rs. 10 per share outstanding as on March 31, 2021 & March 31, 2020 were subdivided into 20,00,00,000 Equity Shares of Rs. 2 per share outstanding as on March 31, 2022. The earnings per share in respect of current and previous years has been restated considering the aforesaid sub division of shares.

(E) Shares held by Holding Company

Particulars	As at March 31, 2022	As at March 31, 2021
Equity Shares:		
Balaji Amines Limited	11,00,00,000	2,20,00,000

(F) (i) Shareholding of promoters:

As at March 31, 2022 (after subdivision of shares)

Name of the promoter	No. of shares	% of total shares	% of change during the year
Balaji Amines Limited - Holding company	11,00,00,000	55.00%	0.00%
A Srinivas Reddy	1,80,00,000	9.00%	0.00%
N Rajeshwar Reddy	63,79,800	3.19%	-0.32%
D Ram Reddy	64,30,100	3.22%	23.87%
Ande Prathap Reddy	1,35,00,000	6.75%	76.44%
Hemanth Reddy Gaddam	45,99,795	2.30%	56.09%
Total	15,89,09,695	79.45%	

3. Other financial assets (non-current)

(ii) Shareholding of promoters at the end of March 31, 2021

Name of the promoter	No. of shares**	% of total shares	% of change during the year
Balaji Amines Limited - Holding company	2,20,00,000	55.00%	0.00%
A Srinivas Reddy	36,00,000	9.00%	0.00%
N Rajeshwar Reddy	12,80,000	3.20%	0.00%
D Ram Reddy	9,79,000	2.45%	0.00%
Ande Prathap Reddy	6,36,000	1.59%	0.00%
Hemanth Reddy Gaddam	4,03,959	1.01%	0.00%
Total	2,88,98,959	72.25%	

** Number of shares after share split

14. Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
Reserves and surplus		
Securities premium	440.00	440.00
Retained earnings	1,034.79	(37.65)
Total	1,474.79	402.35

Securities premium

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	440.00	440.00
Add: Movement during the year	-	-
Closing balance	440.00	440.00

Retained earnings

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	(37.65)	(155.49)
Add: Profit for the year	1,089.45	117.84
Add: Items of other comprehensive income/(loss) recognised directly in retained earnings	0.02	-
Add/(Less): Cumulative effect of adjustments carried out in the Restated Financial Statements	(17.03)	-
Closing balance	1,034.79	(37.65)

Nature and purpose of other reserves

(i) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

(ii) Retained earnings

Retained earnings represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

15. Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Non- current		
a) Secured loans		
Term loans from banks	575.74	848.49
b) Unsecured loans		
From directors	-	40.00
From holding company	660.00	773.48
Total	1,235.74	1,661.97

Balaji Speciality Chemicals Ltd.

3. Other financial assets (non-current)

i)Term loans from banks:

The company has availed term loans from HDFC Bank Limited and Bank of Baroda. The loan from Bank of Baroda is repayable in 66 equal monthly installments starting from May'2019, Term loan 1 from HDFC Bank Limited is repayable in 66 equal monthly installments starting from May'2019 and Term loan 2 from HDFC Bank Limited is repayable in 66 equal monthly installments starting from Dec'2020.

ii) Security:

The term loans from HDFC Bank Ltd and Bank of Baroda are secured by first charge on all movable and immovable fixed assets located at E-8/1, MIDC, Chincholi, Solapur, Maharashtra. Second pari passu charge on entire current assets of the company present and future.
They are also secured by Corporate Guarantee of M/s. Balaji Amines Limited, Holding company.
The term loan from Bank of Baroda is additionally secured by the personal Guarantee of Mr. A Prathap Reddy, Mr. N. Rajeshwar Reddy, Mr. D. Ram Reddy, Mr. G. Hemanth Reddy, Mr. A. Srinivas Reddy directors of the Company.

iii) Repayment Schedule with rate of interest:

Financial Year	HDFC Bank Limited ROI 7.50% p.a.	HDFC Bank Limited ROI 7.50% p.a.	Bank of Baroda ROI 8.50% p.a.	Total
2022-2023	90.91	90.91	90.90	272.72
2023-2024	90.91	90.91	90.90	272.72
2024-2025	53.03	90.91	53.03	196.97
2025-2026	-	90.91	-	90.91
2026-2027	-	15.14	-	15.14
Total	234.85	378.78	234.83	848.46

iv) Terms of unsecured loans from others:

The Company has availed unsecured loans from the directors and the holding company at interest rate of 9% p.a. and 7% p.a. respectively.

v) For the Company's exposure to the interest rate risk and liquidity risk, refer note no.39 to the financial statements.

16. Provisions (non-current)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Gratuity	1.34	-
Leave encashment	0.36	-
Total	1.70	-

17. Deferred tax liabilities (net)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Deferred tax liabilities on timing difference due to:		
Depreciation and amortisation expenses	216.41	-
(ii) Deferred tax assets on account of:		
(a) Carry forward losses under Income Tax Act	0.64	
(b) Unused tax credits	66.59	-
Deferred tax liabilities (net) (i) -(ii)	149.18	-

Movement in deferred tax liabilities (net)

Particulars	WDV of assets	Expenses allowable on payment basis	Unused tax credits	Total
As at April 1, 2021	(196.54)	210.78	0.01	14.24
Recognition of MAT shown under deferred tax	-	-	15.33	15.33
Deferred tax impact on restatement adjustments	-	1.28	-	1.28
(Charged)/Credited				
to Statement of profit and loss	(19.87)	(211.41)	51.25	(180.02)
to Other comprehensive income		(0.01)	-	(0.01)
As at March 31, 2022	(216.41)	0.64	66.59	(149.18)

18. Other non current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred revenue export benefits	17.83	-
Total	17.83	-

Balance in the year ended March 31, 2020 represents, grants relating to Property, Plant and Equipment related to duty saved on import of capital goods and spares under Export Promotion Capital Goods (EPCG) Scheme. Under such scheme, the Company is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such committments are not met the Company would be required to pay the duty saved alongwith interest to the regulatory authorities. Further, the balance appearing in the year ended March 31, 2022 is related to Advance License Scheme i.e. Import Benefit against Export.

3. Other financial assets (non-current)

19. Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Repayable on demand		
Working capital loans from banks	157.91	109.45
Current maturities of long term debt		
From banks(Refer Note 13)	272.72	272.72
Total	430.63	382.17

The cash credit facilities/working capital loans which are obtained from various banks, are secured by hypothecation of stocks of raw materials, stock in process, finished goods , spares and book debts and second charge on property,plant and equipment . The above loans carry interest rate ranging from 6.4%p.a to 7.15%p.a.
For the Company's exposure to the interest rate risk and liquidity risk, refer note no.39 to the financial statements.

19.1 Net Debt Reconciliation

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance of borrowings	2,044.14	2,035.52
Proceeds from non-current borrowings	120.00	343.44
Repayment from non-current borrowings	(546.23)	(253.13)
Proceeds/ (repayment) from current borrowings	48.46	(81.70)
Closing balance of borrowings	1,666.37	2,044.14

20. Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
Dues to micro enterprises and small enterprises (Refer Note below)	59.18	5.44
Dues to creditors other than micro enterprises and small enterprises*	165.82	125.91
Total	225.00	131.35

*Includes amounts payable to related parties (refer note 38)

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at March 31, 2022	As at March 31, 2021
i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year		
Principal amount due to micro and small enterprises	59.18	5.44
Interest due on above	-	-
ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Note: Dues to micro enterprises and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

Trade payables aging schedule as at March 31,2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	59.18	-	-	-	59.18
(ii) Others	165.82	-	-	-	165.82
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
Total	225.00	-	-	-	225.00

Trade payables aging schedule as at March 31, 2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	5.44	-	-	-	5.44
(ii) Others	125.91	-	-	-	125.91
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
Total	131.35	-	-	-	131.35

3. Other financial assets (non-current)

21. Other financial liabilities (current)

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due	3.28	3.52
Expenses payable	11.15	9.78
Other recoveries payable	0.11	0.07
Security deposits	0.01	0.01
Creditors for Capital goods	8.56	53.86
Total	23.11	67.25

22. Other current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Advances from customers	0.00	0.80
Statutory liabilities	35.29	0.50
Total	35.29	1.30

23. Provisions (current)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Leave encashment	0.04	-
Total	0.04	-

24. Current tax liabilities (Net)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for tax (net of advance tax)	22.66	-
Total	22.66	-

Balaji Speciality Chemicals Ltd.

25. Revenue from operations

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Sale of products		
Speciality Chemicals	5,082.77	1,739.76
Other operating revenues		
Scrap sales	0.21	-
Export Incentive	59.82	40.01
Total	5,142.80	1,779.77

26. Other income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest income on deposits and others	1.30	0.92
Liabilities no longer required written back	-	7.24
Miscellaneous income	3.23	0.01
Foreign exchange gain (net)	13.09	6.57
Total	17.62	14.75

27. Cost of materials consumed

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening Stock	15.23	11.41
Add: Purchases	2,662.56	1,006.63
Sub-total	2,677.79	1,018.04
Less: Closing Stock	36.50	15.23
Total	2,641.29	1,002.81

28. Changes in inventories of finished goods and work-in-progress

Particulars		Year ended March 31, 2022	Year ended March 31, 2021
Opening inventories			
Finished goods		90.27	108.80
Work-in-progress		-	22.58
	(A)	90.27	131.38
Recognition of sales reversal on account of sales-in-transit		21.98	
Closing inventories			
Finished goods		93.49	90.27
Work-in-progress		31.26	-
Total (A-B)	(B)	124.75	90.27
		(12.50)	41.12

29. Employee benefits expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus	22.43	17.07
Contribution to provident and other funds	6.88	2.31
Gratuity expense	1.41	0.78
Leave encashment expense	0.81	0.08
Staff welfare expenses	0.71	1.38
Total	32.24	21.62

30. Finance costs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest on borrowings	146.93	185.33
Interest on lease liabilities	0.01	0.01
Other borrowing costs	7.99	4.68
Total	154.93	190.01

31. Depreciation and amortization expenses

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on property, plant and equipment	128.30	110.63
Amortisation of right-of-use assets	0.05	0.05
Total	128.35	110.68

32. Other expenses

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Consumption of stores and spares	19.54	6.04
Consumption of packing material	38.98	18.06
Power and fuel	490.89	161.13
Freight Charges	75.41	45.65
Effluent treatment expenses	3.74	2.00
Travelling and conveyance	0.02	0.01
Repairs and Maintenance		
Buildings	0.29	0.07
Plant & Machinery	8.60	2.10
Office Equipment	0.03	0.02
Printing and stationery	0.22	0.17
Communication expenses	0.16	0.33
Legal and professional charges	1.54	1.20
Registrations and Renewals		6.40
Insurance	5.65	4.70
Auditors remuneration (Refer note 28a)	1.42	0.45
Directors sitting fees	0.05	0.04
Rates and taxes	0.18	2.83
Inspection charges	0.03	0.10
Commission and discount	28.31	9.33
Sales promotion and other selling expenses	0.21	0.19
Preliminary Expenses	-	1.09
Miscellaneous expenses	0.32	0.17
Total	675.57	262.05

32 a. Payments to auditors

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Statutory auditors		
Statutory audit fee	0.85	0.38
Others		
Tax audit fee	0.57	0.07
Total	1.42	0.45

33. Reconciliation of tax expenses and the accounting profit multiplied by tax rate

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit before income tax expense	1,540.54	166.24
Tax at the Indian tax rate of 17.472%	269.16	29.05
Tax neutral adjustments made to the Restated Financial Information	1.91	(29.05)
Total Tax	271.07	-
Effect of deferred tax	180.02	48.40
Income-tax recognised in the statement of profit and loss	451.09	48.40

34. Earnings per share (EPS)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit attributable to equity shareholders	1,089.45	117.84
Original number of equity shares (post subdivision of shares)*	20,00,00,000	20,00,00,000
Weighted average number of equity shares for basic EPS (Nos.)	20,00,00,000	20,00,00,000
Weighted average number of equity shares for dilutive EPS (Nos.)	20,00,00,000	20,00,00,000
Basic earnings per share (in Rs.)	5.45	0.59
Diluted earning per share (in Rs.)	5.45	0.59
Face value per equity Share (in Rs.)	2	2

*The Company on February 26, 2022, has approved sub-division of equity shares having face value of Rs.10 each into 5 equity shares having face value of Rs.2 each. Accordingly, the earnings per share has been adjusted for sub-division of shares for the current and previous years presented in accordance with the requirements of Indian Accounting Standard (Ind AS) 33 - Earnings per share.

35. Employee benefits

(i) Leave obligations

The leave obligation covers the company's liability for earned leave which is unfunded.

(ii) Defined contribution plans

The company has defined contribution plans namely provident fund. Contributions are made to provident fund at the rate of 12% of basic salary plus DA as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contributions plan is as follows:

Particulars	March 31, 2022	March 31, 2021
Company's contribution to provident fund	1.83	1.48

(iii) Post- employment obligations

a) Gratuity

The company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The company operates post retirement gratuity plan with LIC of India. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which

The following table sets out the amounts recognised in the financial statements in respect of gratuity plan

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Change in defined benefit obligations:		
Obligation at the beginning of the year	-	-
Current service costs	0.76	-
Interest costs	0.56	-
Remeasurement (gains)/losses	0.05	-
Benefits paid	(0.04)	-
Obligation at the end of the year	1.34	-
Change in plan assets:		
Fair value of plan assets at the beginning of the year	-	-
Interest income	0.95	-
Remeasurement (gains)/losses	0.06	-
Employer's contributions	0.04	-
Benefits paid	0.76	-
Fair value of plan assets at the end of the year	1.81	-
Expenses recognised in the statement of profit and loss consists of:		
Employee benefits expense:		
Current service costs	0.56	-
Net interest expenses	(0.01)	-
Benefits paid	0.55	-
Other comprehensive income:		
(Gain)/loss on plan assets	0.04	-
Actuarial (gain)/loss arising from changes in financial assumptions	(0.02)	-
Actuarial (gain)/loss arising from changes in experience adjustments	(0.01)	-
(Gain)/loss on obligations	(0.04)	-
Total OCI	(0.07)	-
Expenses recognised in the statement of profit and loss	0.48	-

Amounts recognised in the balance sheet consist of

Particulars	As at March 31, 2022	As at March 31, 2021
Fair value of plan assets at the end of the year	1.81	-
Present value of obligation at the end of the year	1.34	-
Recognises as		
Retirement benefit liability - Non-current	1.34	-
Retirement benefit liability - Current	-	-
Fair value of plan assets — 100% with LIC of India		

Expected contribution to post-employment benefit plan of gratuity for the year ending March 31, 2023 is Rs. 2.67 million.

Balaji Speciality Chemicals Ltd.

iv) Significant estimates and sensitivity analysis

The sensitivity of the defined benefit obligation to changes in key assumptions is:

Particulars	Key assumptions		Defined benefit obligation					
			Increase in assumption by			Decrease in assumption by		
	March 31, 2022	March 31, 2021	Rate	March 31, 2022	March 31, 2021	Rate	March 31, 2022	March 31, 2021
Discount rate	7.11%	0.00%	1%	1.28	-	1%	1.41	-
Salary growth rate	4.00%	0.00%	1%	1.52	-	1%	1.18	-
Attrition rate	5.00%	0.00%	50%	1.73	-	50%	0.81	-

The above sensitivity analysis is based on a change in each assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

v) Risk exposure

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:

Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

36. Contingent liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Claims against the Company not acknowledged as debts		
Income Tax	5.65	-

Notes:

i. The above claims pertains to Income Tax - TDS on payments made to foreign companies / Non-residents for FY 2017-18 & 2018-19. The Company has filed appeals with CIT(A) of Income Tax and the same are pending for disposal. The Company has paid an amount of Rs. 1.13 million under protest.

ii. The company based on its legal assessment does not believe that any of the pending claims require a provision as at the balance sheet date, as the likelihood of the probability of an outflow of resources at this point of time is low.

37. Commitments

Capital and other commitments

Particulars	March 31, 2022	March 31, 2021
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	-	-

38. Related party transactions

a) Details of related parties

Name of the related parties	Description of relationship
Balaji Amines Limited	Holding Company
Ande Prathap Reddy	Wholetime Director (from April 18, 2022) Director (upto April 18, 2022)
N Rajeshwar Reddy	Managing Director
D Ram Reddy	Wholetime Director (from April 18, 2022) Director and Chief Financial Officer (Upto April 18, 2022)
G Hemanth Reddy	Non-Executive Director
Kashinath Revappa Dhole	Independent Director
Rajendrakumar Mohanprasad Tapadiya	Independent Director
Ande Srinivas Reddy	Director (upto April 18, 2022)
PardeepSingh RameshSingh Watwani	Chief Financial Officer (from April 18, 2022)
Jimisha Dawda	Company Secretary (from May 16, 2018 to January 21, 2021)
Soniya Mahajan	Company Secretary (from July 17, 2021 to October 25, 2021)
Lakhan Dargad	Company Secretary (from October, 25, 2021 to May 6, 2022)
B. Srinivas	Company Secretary (from May 6, 2022)
MVL Medisynth Private Limited	Enterprise where KMP has Significance Influence
SVS Sourcings Private Limited	Enterprise where KMP has Significance Influence

b) Details of transactions during the year:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Balaji Amines Limited		
Purchase of Goods & Services	932.34	798.82
Sale of Goods & Services	202.62	169.47
Lease Rent of Office	0.06	0.06
Interest Charged	54.32	60.44
Loan accepted in the year	20.00	310.00
Loan Repayment in the year	133.48	-
MVL Medisynth Pvt. Ltd.		
Purchase of Goods & Services	-	-
Sale of Goods & Services	-	-
SVS Sourcings Pvt.Ltd.		
Purchase of Goods & Services	-	-
Sale of Goods & Services	9.07	-
Ande Prathap Reddy		
Loan accepted in the year	-	-
Loan Repayment in the year	40.00	-
Interest on unsecured loan	0.66	3.09
Kashinath Revappa Dhole		
Sitting fee paid	0.03	0.03
Rajendrakumar Mohanprasad Tapadiya		
Sitting fee paid	0.03	0.03

Balaji Speciality Chemicals Ltd.

c) Details of outstanding balances as at the year end where related party relationship existed:

Names of the related parties	For the year ended March 31, 2022	For the year ended March 31, 2021
Balaji Amines Limited		
Unsecured loan outstanding		
Trade payables	660.00	773.48
MVL Medisynth Pvt. Ltd.	98.38	98.63
Closing balance payable		
SVS Sourcings Pvt.Ltd.	-	-
Closing balance receivable		
Ande Prathap Reddy	3.26	-
Unsecured loan outstanding		
	-	40.00

Balaji Speciality Chemicals Ltd.

39. Financial instruments and risk management

Fair values

1. The carrying amounts of trade payables, other financial liabilities (current), borrowings (current),trade receivables, cash and cash equivalents and other bank balances are considered to be the same as fair value due to their short term nature.

2. Borrowings (non-current) consists of loans from banks and related parties.

The fair value of financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximation of fair values:

(i) Categories of financial instruments

Particulars	Level	March 31, 2022		March 31, 2021	
		Carrying amount	Fair value*	Carrying amount	Fair value*
Financial assets					
Measured at amortised cost:					
Non-current					
Other financial assets	3	19.03	19.03	18.55	18.55
Current					
Trade receivables	3	1,559.40	1,559.40	431.72	431.72
Cash and cash equivalents	3	34.12	34.12	19.55	19.55
Other bank balances	3	0.22	0.22	0.32	0.32
Other financial assets	3	0.43	0.43	4.41	4.41
Total		1,613.20	1,613.20	474.55	474.55
Financial liabilities					
Measured at amortised cost					
Non-current					
Borrowings	3	1,253.57	1,235.74	1,661.97	1,661.97
Lease liabilities	3	0.06	0.06	-	-
Current					
Borrowings	3	430.63	430.63	382.17	382.17
Trade payables	3	225.00	225.00	131.35	131.35
Lease liabilities	3	0.05	0.05	0.01	0.01
Other financial liabilities	3	23.11	23.11	67.25	67.25
Total		1,932.43	1,914.60	2,242.74	2,242.74

*Fair value of instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques, which maximise the use of observable market data and rely as little as possible on entity specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs are not based on observable market data, the instruments are included in Level 3.

Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

The Company is exposed to market risk (fluctuation in foreign currency exchange rates, price and interest rate), liquidity risk and credit risk, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

(A) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk and price risk. Financial instruments affected by market risk include loans and borrowings, trade receivables and trade payables involving foreign currency exposure. The sensitivity analyses in the following sections relate to the position as at March 31, 2022 and March 31, 2021.

The analysis exclude the impact of movements in market variables on the carrying values of financial assets and liabilties .

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2022 and March 31, 2021.

(i) Foreign currency exchange rate risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the trade/ other payables, trade/other receivables and derivative assets/liabilities. The risks primarily relate to fluctuations in US Dollar and Euros against the functional currencies of the Company. The Company's exposure to foreign currency changes for all other currencies is not material. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The following tables demonstrate the sensitivity to a reasonably possible change in US dollors nad Euros exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

(ii) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and from foreign forward exchange contracts:

Foreign Currency Exposure				
Particulars	As at March 31, 2022		As at March 31, 2021	
	EURO	USD	EURO	USD
Loans and advances	-	230.21	-	104.23
EEFC Account	-	25.06	-	19.02
Trade receivables	17.33	175.71	-	56.48
Trade payables	-	-	-	46.07
Net exposure to foreign currency risk	17.33	430.98	-	133.67

Particulars	Increase/(decrease) in profit before tax		Increase/(decrease) in other components of equity	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Change in EURO				
1% increase	0.17	-	0.17	-
1% decrease	(0.17)	-	(0.17)	-
Change in USD				
1% increase	4.31	1.34	4.31	1.34
1% decrease	(4.31)	(1.34)	(4.31)	(1.34)

The movement in the pre-tax effect is a result of a change in the fair value of monetary assets and liabilities denominated in US dollars and Euros, where the functional currency of the entity is a currency other than US dollars and Euros.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. As the Company has certain debt obligations with floating interest rates, exposure to the risk of changes in market interest rates are dependent of changes in market interest rates. Management monitors the movement in interest rate and, wherever possible, reacts to material movements in such rates by restructuring its financing arrangement.
As the Company has no significant interest bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/(decrease) in profit before tax		Increase/(decrease) in other components of equity	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Change in interest rate				
increase by 100 basis points	18.55	20.40	18.55	20.40
decrease by 100 basis points	(18.55)	(20.40)	(18.55)	(20.40)

The assumed increase/decrease in interest rate for sensitivity analysis is based on the currently observable market environment.

(B) Credit Risk

Credit risk is the risk arising from credit exposure to customers, cash and cash equivalents held with banks and current and non-current held-to financial assets of the Company include trade receivables, security deposits held with government authorities and bank deposits which represents Company's maximum exposure to the credit risk.

With respect to credit exposure from customers, the Company has a procedure in place aiming to minimise collection losses. Credit Control team assesses the credit quality of the customers, their financial position, past experience in payments and other relevant factors. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including default risk associate with the industry and country in which customers operate. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. With respect to other financial assets viz., loans & advances, deposits with government and banks, the credit risk is insignificant since the loans & advances are given to employees only and deposits are held with government bodies and reputable banks. The credit quality of the financial assets is satisfactory, taking into account the allowance for credit losses.

Credit risk on trade receivables and other financial assets is evaluated as follows:

(i) Expected credit loss for trade receivables under simplified approach:

Particulars	March 31, 2022	March 31, 2021
Gross carrying amount	1,559.40	431.72
Expected credit loss	-	-
Carrying amount of trade receivables	1,559.40	431.72

(ii) Significant estimates and judgements

Impairment of financial assets:

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(C) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding to meet obligations when due and to close out market positions. Company's treasury maintains flexibility in funding by maintaining availability under deposits in banks.

Management monitors cash and cash equivalents on the basis of expected cash flows.

(i) Financing arrangements:

The company had access to the following undrawn borrowing facilities at the end of the reporting period

Particulars	As at March 31, 2022	As at March 31, 2021
Expiring within one year (bank overdraft and other facilities)	92.09	140.55

(ii) Maturities of financial liabilities

Contractual maturities of financial liabilities as at :

Particulars	March 31, 2022		March 31, 2021	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Borrowings	430.63	1,235.74	382.17	1,661.97
Lease liabilities	0.05	0.06	0.01	-
Trade payables	225.00	-	131.35	-
Other financial liabilities	23.11	-	67.25	-
Total	678.80	1,235.80	580.77	1,661.97

(iii) Management expects finance costs to be incurred for the year ending March 31, 2023 is Rs. 90 million.

40. Capital management

A. Capital management and gearing ratio

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the company's capital management is to maximise the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The company monitors capital using a gearing ratio, which is debt divided by total capital. The company includes within debt, interest bearing loans and borrowings.

Particulars	March 31, 2022	March 31, 2021
Borrowings		
Current	430.63	382.17
Non current	1,235.74	1,661.97
Debt	1,666.37	2,044.14
Equity		
Equity share capital	400.00	400.00
Other equity	1,474.79	402.35
Total capital	1,874.79	802.35
Gearing ratio in % (debt/ equity)	88.88%	254.77%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

41. Segment information:

a) Description of segments and principal activities

The Company's primary segment is identified as business segment based on nature of products, risks, returns and the internal business 'reporting 'system. The Company is principally engaged in a single business segment viz. 'Chemicals' only.

b) Information about geographical segments

For the purpose of geographical segments the revenue and assets are divided into two segments, i.e.. India and outside India.

Geographical Area	March 31, 2022			March 31, 2021		
	India	Outside India	Total	India	Outside India	Total
Revenues	3,840.13	1,242.64	5,082.77	1,329.45	410.31	1,739.76
Total Non-Current Assets	1,898.88	-	1,898.88	2,039.05	-	2,039.05
Total Current Assets	1,877.10	240.12	2,117.22	975.23	32.12	1,007.35

c) Information about products:

Revenue from external customers - Sale of chemicals : Rs. 5082.98 millions.

d) Information about major customers

Sales to two of the customers of the company exceed 10% of the total revenue of company individually, the revenue from each of the customers is disclosed below:

Customer 1 - Rs. 840.55 millions

Customer 2 - Rs. 755.29 millions

38. Impact assessment of the global health pandemic COVID - 19 and related estimation uncertainty:

The Company has considered the possible effects that may result from the pandemic relating to Covid-19 in the preparation of the financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of Covid-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

42: Previous year figures are regrouped and rearranged wherever necessary

43. Impact assessment of the global health pandemic COVID - 19 and related estimation uncertainty:

The Company has considered the possible effects that may result from the pandemic relating to Covid-19 in the preparation of the financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of Covid-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

44. Code on Social Security

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

BALAJI SPECIALITY CHEMICALS LIMITED (Formerly known as BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED)
Annexure VII Notes to Restated Financial Information
(All amounts are in rupees in millions, except share data or otherwise stated)

45. Ratios as per Schedule III:

a) Current Ratio = Current Assets divided by Current Liabilities

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Current Assets	2,117.22	1,007.35	847.94
Current Liabilities	736.79	582.08	672.44
Ratio	2.87	1.73	1.26
% Change from previous year	66.04%	37.24%	
Reason for change more than 25%:			

For March 31, 2022 : Increase in Trade Receivables due to rise in Sales resulted in improvement in Current Ratio.
For March 31, 2021 : Increase in Trade Receivables due to rise in Sales resulted in improvement in Current Ratio.

b) Debt Equity ratio = Total debt divided by Total equity where total debt refers to sum of current & non current borrowings

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Total debt	1,666.37	2,044.14	2,035.52
Total equity	1,874.79	802.35	684.51
Ratio	0.89	2.55	2.97
% Change from previous year	(65.11%)	(14.33%)	
Reason for change more than 25%:			

For March 31, 2022 : Increase in profits has lead to repayment of borrowings and improved Debt Equity Ratio.

c) Debt Service Coverage Ratio = Earnings available for debt services divided by Total interest and principal repayments

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Profit after tax	1,089.45	117.84	(155.53)
Add: Non cash operating expenses and finance costs	283.28	300.69	230.04
- Depreciation and amortization expenses	128.35	110.68	74.42
- Finance costs	154.93	190.01	155.63
Earnings available for debt services	1,372.72	418.54	74.52
Interest cost on borrowings	154.93	190.01	155.63
Principal repayments	546.23	253.13	1,658.39
Total Interest & Lease payments and Principal repayments	701.16	443.14	1,814.02
Ratio	1.96	0.94	0.04
% Change from previous year	107.29%	2199.12%	
Reasons for change more than 25%:			

For March 31, 2022 : Due to increase in earnings of the Company.
For March 31, 2021 : Due to increase in earnings of the Company available for debt service on account of increase in profit during the year.

d) Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by Equity

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Net profit after tax	1,089.45	117.84	(155.53)
Equity	1,338.57	743.43	762.27
Ratio	0.81	0.16	(0.20)
% Change from previous year	413.46%	177.69%	
Reason for change more than 25%:			

For March 31, 2022 : Due to increase in earnings of the Company.
For March 31, 2021 : Due to increase in earnings of the Company.

e) Inventory Turnover Ratio = Sales divided by Average Inventory

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Sales	5,142.80	1,779.77	538.92
Average Inventory	180.08	153.18	185.80
Inventory Turnover Ratio	28.56	11.62	2.90
% Change from previous year	145.79%	300.57%	
Reason for change more than 25%:			

For March 31, 2022 : Due to increase in sales of the Company.
For March 31, 2021 : Due to increase in sales of the Company.

f) Trade Receivables turnover ratio = Total Sales divided by Average Trade Receivables

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Total Sales	5,142.80	1,779.77	538.92
Average Trade Receivables	995.56	383.67	167.81
Ratio	5.17	4.64	3.21
% Change from previous year	11.36%	44.45%	
Reason for change more than 25%:			

For March 31, 2021 : Due to increase in Sales & closing Trade Receivables.

Balaji Speciality Chemicals Ltd.

BALAJI SPECIALITY CHEMICALS LIMITED (Formerly known as BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED)
Annexure VII Notes to Restated Financial Information
(All amounts are in rupees in millions, except share data or otherwise stated)

45. Ratios as per Schedule III:

g) Trade payables turnover ratio = Total purchases divided by Average Trade Payables

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Total Purchases	2,641.29	1,002.81	529.75
Average Trade Payables	178.18	166.37	108.87
Ratio	14.82	6.03	4.87
% Change from previous year	145.93%	23.88%	

Reason for change more than 25%:
For March 31, 2022 : Due to increase in Purchases and payment made within credit period to the suppliers.
For March 31, 2021 : Due to increase in Purchases and payment made within credit period to the suppliers.

h) Net capital Turnover Ratio = Sales divided by Working capital whereas working capital= current assets - current liabilities

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Sales	5,142.80	1,779.77	538.92
Working Capital	1,380.42	425.27	175.50
Ratio	3.73	4.18	3.07
% Change from previous year	(10.98%)	36.28%	

Reason for change more than 25%:
For March 31, 2021 : Due to increase in sales and advance to suppliers.

i) Net profit ratio = Net profit after tax divided by Sales

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Net profit after tax	1,089.45	103.95	(158.70)
Sales	5,142.80	1,744.01	538.81
Ratio	0.21	0.06	(0.29)
% Change from previous year	255.41%	120.24%	

Reason for change more than 25%:
For March 31, 2022 : Increase in sales and better price realisation has resulted in increase in Net Profit after Tax.
For March 31, 2021 : Increase in sales and better price realisation has resulted in increase in Net Profit after Tax.

j) Return on Capital employed =Earnings before interest and taxes(EBIT) divided by Capital Employed

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Profit before tax (A)	1,540.54	166.24	(218.80)
Finance Costs (B)	154.93	190.01	155.63
EBIT (C) = (A)+(B)	1,695.46	356.25	(63.17)
Capital Employed (G)=(D)+(E)+(F)	3,690.34	2,846.49	2,720.03
Tangible Networth (D)	1,874.79	802.35	684.51
Total Debt (E)	1,666.37	2,044.14	2,035.52
Deferred Tax Liability (F)	149.18	-	-
Ratio (C)/(G)	0.46	0.13	(0.02)
% Change from previous year	267.09%	638.87%	

Reason for change more than 25%:
For March 31, 2022 : Due to increase in Earnings before interest and taxes (EBIT) & Net worth of the company.
For March 31, 2021 : Due to increase in Earnings before interest and taxes (EBIT) & Net worth of the company.

k) Return on Investment - Not Applicable

As per our Report of even date attached

For M.Anandam & Co.,
Chartered Accountants
(Firm Registration Number: 000125S)

M V Ranganath
Partner
Membership Number: 028031

Place: Secunderabad
Date: July 28, 2022

M. ANANDAM & CO. SECUNDERABAD CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

N. Rajeshwar Reddy
Managing Director
DIN : 00003854

D. Ram Reddy
Wholetime Director
DIN : 00003864

Balaji Speciality Chemicals Ltd.

B. Srinivas
Company Secretary
Membership Number: 67430

PardeepSingh RameshSingh Watwani
Chief Financial Officer
ABSPW1999F

Place: Solapur
Date: July 28, 2022