



# INDEPENDENT AUDITOR'S REPORT

To the Members of **Balaji Amines Limited**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Balaji Amines Limited (hereinafter referred to as the 'Holding Company') and its subsidiary Balaji Speciality Chemicals Limited (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2022, and the consolidated statement of Profit and Loss, the consolidated Statement of Changes in Equity and the Consolidated Cash Flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2022, of consolidated profit,

consolidated changes in equity and its consolidated cash flows for the year then ended.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sl. No.	Key Audit Matter	Auditor's Response
1	<p><b>Disputed Tax Demands in case of holding company</b></p> <p>The group is in dispute in respect of Income Tax Assessments relating to five assessment years, in the case of the holding company and for two assessment years (relating to TDS) in the case its subsidiary. The amounts involved in dispute are ₹296.46 Lakhs in the case of the holding company and ₹56.44 Lakhs in the case of its subsidiary, aggregating to ₹352.90 Lakhs. The matter is in appeal before the first appellate authority, i.e., National Faceless Appeal Centre. The demands pertaining to the holding company has been adjusted to the refunds due to it from other assessment years. The subsidiary has made a payment of 20% of the disputed demand pending disposal of the appeal.</p> <p>This position involves uncertainty about the possible outcome of these disputes and consequent recovery of the part payments so made.</p>	<p>We have obtained and considered an expert opinion on the matters involved in these appeals and also the judicial precedents. We have evaluated the same to assess whether there should be a change in the management's position on the sustainability and recoverability of the amounts paid against the disputed demands</p>

### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



## INDEPENDENT AUDITOR'S REPORT (Contd.)

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities

are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities 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 consolidated 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

## INDEPENDENT AUDITOR'S REPORT (Contd.)

report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

We did not audit the financial statements / financial information of Balaji Speciality Chemicals Limited, whose financial statements / financial information reflect total assets of ₹425.77

Crores as at March 31, 2022, total revenues of ₹516.34 Crores and net cash flows amounting to ₹1.44 Crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated



in India is disqualified as on 31<sup>st</sup> March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

- f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated

financial position of the Group, its associates and jointly controlled entities – Refer Note 1 – VI – 16 to the consolidated financial statements.

- (ii) The Group, did not have any material foreseeable losses on long-term contracts including derivative contracts.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

For **Ayyadevara & Co.**,  
Chartered Accountants  
Firm's Registration No.000278S

**Ayyadevara Srinivas**  
Proprietor  
Membership No.28803  
Hyderabad. May 11, 2022  
UDIN: 22028803AJWFMA5285

## ANNEXURE

### TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Balaji Amines Limited, of even date, on the Consolidated Financial Statements)

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

We have audited the internal financial controls over financial reporting of BALAJI AMINES LIMITED ("the Company") as of March 31, 2022 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for

our audit opinion on the internal financial controls system over financial reporting of the Company.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Limitations of Internal Financial Controls Over Financial Reporting

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

#### Opinion

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

For **Ayyadevara & Co.**,  
Chartered Accountants  
Firm's Registration No.000278S

**Ayyadevara Srinivas**  
Proprietor  
Membership No.28803  
Hyderabad. May 11, 2022  
UDIN: 22028803AJWFMA5285

# Consolidated Balance Sheet

As at March, 31, 2022

Particulars	Note No.	₹ in Lakhs	
		As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>1. Non - current assets</b>			
a. Property, plant and equipment	2	68,117.77	54,291.67
b. Capital work-in-progress	3	14,093.58	17,327.57
c. Investment Property			
d. Goodwill			
e. Other Intangible assets			
f. Intangible assets under development			
g. Biological Assets other than bearer plants			
h. Financial Assets			
(i) Investments			
(ii) Trade Receivables			
(iii) Loans			
(iv) Others	4	599.30	591.09
i. Deferred tax assets (net)		-	-
j. Other non-current assets	5	460.04	1,114.14
<b>2. Current assets</b>			
(a) Inventories	6	22,235.83	10,993.80
(b) Financial Assets			
(i) Investments	7	0.10	0.10
(ii) Trade Receivables	8	58,814.57	30,565.82
(iii) Cash and cash equivalents	9	3,312.64	1,732.23
(iv) Bank balances other than (iii) above	10	1,843.28	232.09
(v) Loans			
(vi) Others			
(c) Current Tax Assets (Net)		13,292.37	7,521.45
(d) Other current assets	11	4,707.91	6,662.97
<b>Total Assets</b>		<b>1,87,477.39</b>	<b>1,31,032.93</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share capital	12	648.02	648.02
(b) Other Equity			
(i) Reserves and surplus	13	1,24,336.80	88,790.96
Non controlling interest of Subsidiary		6,501.30	1,553.11
<b>LIABILITIES</b>			
<b>1. Non - current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	14	5,757.43	8,884.90
(ii) Trade payables	15	1,519.37	1,766.85
(iii) Other financial liabilities (other than those specified in item (b))	16	40.60	287.32
(b) Provisions			
(c) Deferred tax liabilities (Net)	17	6,774.90	4,724.36
(d) Other non-current liabilities	18	97.87	96.85
<b>2. Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	1,579.12	1,094.52
(ii) Trade payables	20	17,642.40	7,679.60
(iii) Other financial liabilities (other than those specified in item (c))	21	3,006.50	3,008.18
(b) Other current liabilities	22	191.13	361.39
(c) Provisions	23	5,544.20	4,001.87
(d) Current Tax Liabilities (Net)	24	13,837.75	8,135.00
<b>Total Equity and Liabilities</b>		<b>1,87,477.39</b>	<b>1,31,032.93</b>
Significant Accounting Policies and other information	1		

Notes 1 to 31 form part of Financial Statements

As per our report of even date  
For **Ayyadevara & Co.,**  
Chartered Accountants  
FRN: 000278S

For and on behalf of Board of Directors

**Ayyadevara Srinivas**  
Proprietor  
ICAI Membership No. 028803  
Hyderabad, May 11, 2022.  
UDIN: 22028803AJWFMA5285

**A Prathap Reddy**  
Executive Chairman  
DIN 00003967

**G Hemanth Reddy**  
Whole Time Director & CFO  
DIN 00003868

**Lakhan Dargad**  
Company Secretary

# Consolidated Statement of Profit and Loss

for the period ended March 31, 2022

Particulars	Note No.	₹ in Lakhs	
		For the Period ended March 31, 2022	For the Period ended March 31, 2021
<b>I Revenue from operations</b>	25	2,32,035.23	1,31,145.51
<b>II Other income</b>	26	724.56	607.41
<b>III Total Revenue (I+II)</b>		<b>2,32,759.79</b>	<b>1,31,752.92</b>
<b>IV EXPENSES</b>			
Cost of Material Consumed	27	1,27,641.00	61,580.22
Changes in inventories of finished goods and work-in-progress	28	(5,388.41)	1,445.39
Employee benefits expense	29	9,154.25	6,782.45
Finance costs	30	1,710.16	1,829.23
Depreciation on Fixed Assets	2	4,200.37	3,441.10
Other expenses	31	37,613.60	24,014.99
<b>Total Expenses (IV)</b>		<b>1,74,930.97</b>	<b>99,093.38</b>
<b>V Profit/(loss) before exceptional items and tax (III - IV)</b>		<b>57,828.82</b>	<b>32,659.54</b>
<b>VI Exceptional items</b>			
<b>VII Profit/(loss) before tax (V - VI)</b>		<b>57,828.82</b>	<b>32,659.54</b>
<b>VIII Tax Expenses:</b>			
1. Current Tax		13,837.75	8,135.00
2. Deferred Tax		2,050.54	351.45
3. Adjustments of earlier year tax provisions		150.46	(176.46)
<b>IX Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>41,790.07</b>	<b>24,349.55</b>
<b>X Profit/loss from discontinued operations</b>		-	-
<b>XI Tax expense of discontinued operations</b>		-	-
<b>XII Profit/(loss) from discontinued operations (after tax) (X-XI)</b>		<b>41,790.07</b>	<b>24,349.55</b>
<b>XIII Profit /Loss for the period (IX + XII)</b>		<b>41,790.07</b>	<b>24,349.55</b>
<b>XIV Other Comprehensive Income</b>		-	-
A (i) items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>XV Total Comprehensive Income for the period (XIII + XIV) (Comprising profit/loss and other Comprehensive Income for the period)</b>		<b>41,790.07</b>	<b>24,349.55</b>
<b>Attributable to:</b>			
(a) Shareholders of the Company		36,841.88	23,819.25
(b) Non-controlling interests		4,948.19	530.31
<b>XVI Earning per equity share (for continuing operation):</b>			
(1) Basic		113.71	73.51
(2) Diluted		113.71	73.51
<b>XVII Earning per equity share ( for discontinued operation):</b>			
(1) Basic		-	-
(2) Diluted		-	-
<b>XVIII Earning per equity share ( for discontinued &amp; continuing operations)</b>			
(1) Basic		113.71	73.51
(2) Diluted		113.71	73.51
Significant Accounting Policies and other information	1		

Notes 1 to 31 form part of Financial Statements

As per our report of even date  
For **Ayyadevara & Co.,**  
Chartered Accountants  
FRN: 000278S

For and on behalf of Board of Directors

**Ayyadevara Srinivas**  
Proprietor  
ICAI Membership No. 028803  
Hyderabad, May 11, 2022.  
UDIN: 22028803AJWFMA5285

**A Prathap Reddy**  
Executive Chairman  
DIN 00003967

**G Hemanth Reddy**  
Whole Time Director & CFO  
DIN 00003868

**Lakhan Dargad**  
Company Secretary



# Consolidated Cash Flow Statement

for the period ended March 31, 2022

Sr. No.	Particulars	Current Year 31.03.2022	Previous Year 31.03.2021
(₹ in Lakhs)			
<b>A</b>	<b>Cash flows from operating activities</b>		
	Profit before interest and tax	59,538.98	34,488.77
	Other income considered	(724.56)	(607.41)
	Depreciation	4,200.37	3,441.10
	Increase (+)/ Decrease (-) in Current Liabilities	11,817.79	(7,197.41)
	Increase (-)/ Decrease (+) in Inventories	(11,242.04)	(113.20)
	Increase (-)/ Decrease (+) in Debtors	(28,248.76)	(9,821.95)
	Increase (-)/ Decrease (+) in Other Current Assets	1,955.07	(1,864.22)
	Increase (-)/ Decrease (+) in Current Tax Assets	(5,770.91)	(3,514.93)
	Income Tax Paid	(8,285.46)	(3,823.54)
	<b>Cash flow from Operating Activities</b>	<b>23,240.48</b>	<b>10,987.21</b>
<b>B</b>	<b>Cash Flow From Investing Activities</b>		
	Purchase of Fixed Assets	(14,819.82)	(13,197.88)
	Investments	-	-
	Sale of Fixed Assets	27.34	64.32
	Increase (-)/ Decrease (+) in Other Non Current Financial Assets	(8.22)	(6.29)
	Increase (-)/ Decrease (+) in Other Non Current Assets	654.10	1,623.59
	Increase (-)/ Decrease (+) in Current Investments	-	4,750.00
	Other Income	724.56	607.41
	<b>Cash flow from Investing activities</b>	<b>(13,422.04)</b>	<b>(6,158.85)</b>
<b>C</b>	<b>Cash Flow from Financing Activities</b>		
	Proceeds from Non-Current Borrowings	-	-
	Repayments of Non-Current Borrowings	(3,127.47)	(2,196.87)
	Increase (+)/ Decrease (-) in Other Long Term Financial Obligations	(246.72)	44.14
	Increase (+)/ Decrease (-) in Trade Payables	(247.47)	591.44
	Increase (+)/ Decrease (-) in Other non-current liabilities	1.02	(160.22)
	Interest paid	(1,710.16)	(1,829.23)
	Dividend paid	(1,296.04)	(194.41)
	<b>Cash Flow from Financing Activities</b>	<b>(6,626.84)</b>	<b>(3,745.15)</b>
<b>D</b>	<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>3,191.60</b>	<b>1,083.21</b>
E	Cash and cash equivalents (beginning of the year)	1,964.32	881.11
F	Cash and cash equivalents (end of the year)	5,155.92	1,964.32
G	Increase/(decrease) in cash and cash equivalents (closing minus opening balances)	<b>3,191.60</b>	<b>1,083.21</b>

Notes 1 to 31 form part of Financial Statements

As per our report of even date  
For **Ayyadevara & Co.,**  
Chartered Accountants  
FRN: 000278S

For and on behalf of Board of Directors

**Ayyadevara Srinivas**  
Proprietor  
ICAI Membership No. 028803  
Hyderabad, May 11, 2022.  
UDIN: 22028803AJWFMA5285

**A Prathap Reddy**  
Executive Chairman  
DIN 00003967

**G Hemanth Reddy**  
Whole Time Director & CFO  
DIN 00003868

**Lakhan Dargad**  
Company Secretary

## Statement of Changes in Equity

for the period ended March 31, 2022

	(₹ In Lakhs)		(₹ In Lakhs)	
	Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year
<b>(1) Current reporting period 31.03.2022</b>				
Balance at the beginning of the current reporting period	648.02	-	648.02	-
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	648.02	-	648.02	-
<b>(2) Previous reporting period 31.03.2021</b>				
Balance at the beginning of the previous reporting period	648.02	-	648.02	-
Changes in equity share capital during the previous year	-	-	-	-
<b>B. Other Equity</b>				
<b>(1) Current reporting period 31.03.2022</b>				
Share application money pending allotment	-	-	-	-
Equity component of compound financial instruments	-	-	-	-
Capital Total	6.21	-	6.21	-
Reserve	-	-	-	-
Securities Premium	569.61	-	569.61	-
Other Reserves (State Subsidy)	297.90	-	297.90	-
Other Reserves (General Reserve)	9,733.32	-	9,733.32	-
Retained Earnings	78,183.92	-	78,183.92	-
Debt Instruments through Other Comprehensive Income	-	-	-	-
Equity Instruments through Other Comprehensive Income	-	-	-	-
Effective portion of Cash Flow Hedges	-	-	-	-
Revaluation Surplus	-	-	-	-
Exchange differences on translating the financial statements of a foreign operation	-	-	-	-
Other Items of Other Comprehensive Income (specify nature)	-	-	-	-
Money received against share warrants	88,790.96	-	88,790.96	-
<b>Total</b>	88,790.96	0.00	88,790.96	0.00
Balance at the beginning of the current reporting period	88,790.96	0.00	88,790.96	0.00
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	88,790.96	0.00	88,790.96	0.00
Total Comprehensive Income for the current year	-	-	-	36,841.88
Dividends	-	-	-	(1,296.04)
Transfer to retained earnings	-	-	-	0.00
Any other change (to be specified)	-	-	-	0.00
Profit during the period transferred to General Reserve	-	-	-	3,078.70
<b>Balance at the end of the current reporting period</b>	<b>88,790.96</b>	<b>0.00</b>	<b>88,790.96</b>	<b>38,614.54</b>

# Statement of Changes in Equity (Contd.)

for the period ended March 31, 2022

## B. Other Equity

(₹ in Lakhs)

	Reserves and Surplus		
			Total
Share application money pending allotment	-	-	65,166.12
Equity component of compound financial instruments	6.21	569.61	575.82
Capital Total Reserve	-	-	0.00
Securities Premium	-	-	0.00
Other Reserves (State Subsidy)	297.90	297.90	595.80
Other Reserves (General Reserve)	7,416.21	56,876.19	64,292.40
Retained Earnings	-	-	23,819.25
Debt instruments through Other Comprehensive Income	-	-	(194.41)
Equity Instruments through Other Comprehensive Income	-	-	0.00
Effective portion of Cash Flow Hedges	-	-	0.00
Revaluation Surplus	-	-	0.00
Exchange differences on translating the financial statements of a foreign operation	-	-	0.00
Other items of Other Comprehensive Income (specific nature)	-	-	0.00
Money received against share warrants	-	-	0.00
<b>Balance at the beginning of the current reporting period</b>	<b>6.21</b>	<b>569.61</b>	<b>625.82</b>
Changes in accounting policy or prior period errors	-	-	0.00
Restated balance at the beginning of the previous reporting period	-	-	0.00
<b>Total Comprehensive Income for the previous year</b>	<b>-</b>	<b>-</b>	<b>23,819.25</b>
Dividends	-	-	(194.41)
Transfer to retained earnings	-	-	0.00
Any other change (to be specified)	-	-	0.00
Profit during the period transferred to General Reserve	-	2,317.11	2,317.11
<b>Balance at the end of the previous reporting period</b>	<b>6.21</b>	<b>569.61</b>	<b>6,292.93</b>
<b>Balance at the end of the reporting period</b>	<b>6.21</b>	<b>569.61</b>	<b>88,790.96</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### I. CONSOLIDATION

The consolidated financial statements pertain to the consolidation of financial statements of Balaji Amines Limited (the Holding Company) with those of its subsidiary Balaji Speciality Chemicals Limited in which the shareholding of the holding company is 55% of the paid-up capital.

### II. Company Overview

- Balaji Amines Limited (BAL) is a public limited company incorporated and domiciled in India and its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).
- The Registered office of BAL is situated in Solapur, in the state of Maharashtra.
- BAL is engaged in the business of manufacture and sale of Speciality Chemicals, Aliphatic Amines and derivatives. BAL has its three manufacturing facilities / plants at Tuljapur and Chincholi in Maharashtra and one at Medak, Telangana.
- BAL owns a Five Star Hotel in Solapur, Maharashtra.
- BAL has CFL lamps facility at Medak, Telangana.
- BAL mainly operates in three segments i.e., Specialty Chemicals and Amines, Hotel and CFL Lamps. A new facility for manufacture of Specialty Chemicals is under construction at Chicholi, Maharashtra.
- BAL has a subsidiary, in which BAL's holding is 55%, engaged in the manufacture of Specialty Chemicals. The subsidiary has its manufacturing facility in Chincholi, Maharashtra.

### III. Compliance with Indian Accounting Standards

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

### IV. Reporting Currency

The Financial statements are presented in Indian Rupees which is also the functional and presentation currency of the company and all amounts are rounded off to nearest rupee.

### V. Overall Considerations

The financial statements have been prepared using significant accounting policies that are in effect as on March 31, 2022 as presented in detail hereunder.

### VI. COVID-19 Impact

The company has evaluated the impact of Coronavirus (COVID-19) impact on the operations and future economic activity of the company and based on its review and current indicators and future economic prospects there is no significant impact on the business of the company or its operations.

### VII. Accounting Policies and Other Information

#### 1. System of Accounting:

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

#### 2. Revenue recognition:

- Revenues are generally recognized in all material aspects in accordance with Ind AS 115.
- Sale of goods is recognized at the point of dispatch of goods to customers, i.e. when the substantial rights of ownership and risks are passed on to the customers. Gross sale is exclusive of GST.
- Income from guest accommodation in respect of hotel division is recognized on day to day basis after the guests checks-in. Discounts if any in this regard are accounted upon final conclusion of the bill with the guests. Advance, if any, received against room bookings are treated as a liability pending finalization of bill / provision of services.
- Income from sale of Food & Beverages is recognized at the point of serving of these items to the guests. The income stated is exclusive of Taxes.
- Dividends from investment are recognized as income of the year in which the same are declared by in the investee company.
- Interest income is recognized on accrual basis taking into account the amount outstanding and rate applicable.



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 3. Property, plant and equipment:

Property, plant and equipment acquired by the company are reported at acquisition value. The acquisition cost for this purpose includes the purchase price (net of duties and taxes which are recoverable in future) and expenses directly attributable to the asset to bring it to the site and in the working condition for its intended use. Interest during construction period up to the date of commencement of operations, indirect project expenditure and trial run expenditure (net of trial run income, if any) incurred in respect of projects under implementation are capitalized to the asset constructed / created. Spares and tools that are not in the nature of 'Property, Plant & Equipment' are treated as part of inventories. The costs incurred for the repairs and maintenance of these assets are charged to revenue.

The cost of assets under construction as on the Balance Sheet date, are classified under the head "capital work in progress" and will be capitalized as and when put to use.

Land allotted by MIDC on long lease basis is treated as "Lease Hold Land". The possession of the land has been given in an earlier year and the lease agreement is executed in the current year. The one-time lump sum premium paid at the time of allotment is amortized over the period of the 95-year lease.

### 4. Depreciation

Depreciation / amortization on fixed assets is provided on straight line method in accordance with Schedule II of the Companies Act, 2013 in respect of the remaining useful life. The management estimates the useful lives of the assets based on the indicative life span prescribed in Schedule II of the Companies Act, 2013. The useful life of the assets and their respective residual values are reviewed at the end of each financial year and adjusted accordingly.

### 5. Investments: Investments are stated at cost of acquisition.

### 6. Inventories:

- Finished goods are valued at lower of cost or Net Realizable Value. Cost for this purpose is arrived at on Absorption Costing basis.
- Stock in process/plant is valued at cost.
- Stock of raw materials, Stores and Spares and packing materials are valued at cost. Cost for this purpose, does not include duties/taxes that are recoverable in future.
- Food & Beverages:

- Groceries: Groceries are valued at cost arrived at on weighted average basis.
- Beverages: Valued at cost.

### 7. Trade Receivables

Trade receivables are stated at the recoverable values. Assessment is made on a periodical basis to assess the credit risk in respect of the credit extended to the customers and adjustments are carried out where necessary and found expedient. Provision, if any, made for the doubtful debts is charged to revenue.

### 8. Staff Benefits:

- Provident Fund Contributions are accounted on accrual basis.
- To cover the benefits payable to the employees on retirement, the company has subscribed to a policy of Group Gratuity Scheme of Life Insurance Corporation of India. All contributions made towards the policy premiums are charged to revenue.

### 9. Research and Development:

Revenue expenditure on research and development is charged to Statement of profit and loss in the year in which it is incurred. Capital expenditure on research and development is treated at par with other comparable tangible assets and depreciated accordingly.

### 10. Tax expense:

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

### 11. Borrowing Costs:

Interest and other costs in respect of borrowings for expansion / additional fixed investments including R & D projects are capitalized to such investments. Borrowing costs relating to period after the commencement of operations of these projects are charged to revenue.

### 12. Foreign Currency Transactions:

Foreign Exchange Transactions are recorded at pre-determined standard exchange rates which are reviewed periodically. Gains or losses arising out of such periodic revisions of such standard rates and also on realization/settlement are accounted for accordingly. No effect is determined in respect of the repayment and balances in respect of Foreign Currency Loans as the same are paid out of the Foreign Exchange earnings through the Exchange Earners Foreign Currency Accounts in respective currencies.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 13. Impairment of Assets:

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

### 14. Earnings Per Share (EPS):

This is calculated by dividing the net profit after tax (PAT) for the period attributable to equity shareholders, by number of shares outstanding at the end of the year. In case there are any changes in the equity during the year, EPS would be calculated on the weighted average number of shares outstanding during the period including adjustments of bonus issue, if any.

### 15. Corporate Social Responsibility

The company computes the amount required to be spent on Corporate Social Responsibility in accordance with the provisions of Section 135 of the Companies Act, 2013. The amounts are spent on the eligible projects prescribed under Schedule VII of the Act. During the current year the company has spent an amount of ₹425.02 Lakhs on account of Corporate Social Responsibility expenditure including ₹105.13 lakhs on electrical cremation furnace installed at Solapur public crematorium. The provision relating to CSR are not yet applicable to the subsidiary/

### B. Other Contingent Liabilities

Sr. No.	Particulars	BAL		BSCL	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
1	Claims against the company not Acknowledged as debt	NIL	NIL	NIL	NIL
2	Guarantee	NIL	NIL	NIL	NIL
3	Other Money for which company is contingently liable	NIL	NIL	NIL	NIL

### 17. Dividends

Dividends are accounted for as an outflow from the accumulated profits in the year in which the same are declared and paid out.

### 18. Amounts recoverable from employees

The company has an arrangement with the supplier of coal for supply of coal in specified consignments on a periodic basis. Few consignments aggregating to the value of ₹31.71 Lakhs have been misappropriated, while in transit, by 2 employees of the company during the year ended March 31, 2015. The services of the said employees have been terminated in that

### 16. Contingent Liabilities:

- Disputed demands:

#### In case of holding company:

Under the Income Tax Act, 1961: ₹17.60 Lakhs (relating to Assessment Year 2013-14) ₹231.08 Lakhs (relating to Assessment Year 2014-15), ₹9.25 Lakhs (relating to Assessment Year 2016-17) ₹29.31 Lakhs (relating to Assessment Year 2017-18) in respect of additions made in assessment under section 143(3) of the Income Tax Act, 1961 and disputed in appellate proceedings and ₹9.22 Lakhs (relating to Assessment Year 2019-20) demand pending rectification. The appeals are pending before the First Appellate Authority. The company has deposited an amount of ₹87.38 Lakhs against the aforementioned demands and obtained stay of collection of the balance disputed demand till disposal of the first appeals. The above referred tax payments are grouped under the head "Other Current Assets". The balance disputed demand has been adjusted against the refunds due to the company for Assessment Years 2018-19 and 2019-20.

#### In case of subsidiary

Under Income Tax Act, 1961: Relating to TDS provisions. ₹21.39 lakhs (relating to Assessment Year 2018-19) and ₹35.05 Lakhs (relating to Assessment Year 2019-20). The matter is in appeal before First Appellate Authority. The company has deposited an amount of ₹11.29 Lakhs against the aforementioned demands and obtained stay of collection of the balance disputed demand till disposal of the first appeal.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

year itself and legal action against initiated on these employees including action for the recovery of the above-mentioned amounts. Pending recovery, the amounts are shown under short term advances.

### 19. Expenditure on Corporate Social Responsibility (CSR):

The company has incurred an expenditure of ₹425.02 Lakhs (Previous Year ₹374.76 Lakhs) on Corporate Social Responsibility initiatives in accordance with the provisions of Section 135 of the Companies Act, 2013. The details of the projects on which the amounts are expended by the company on Corporate Social Responsibility are given in Note 31 Other expenses. The provisions relating to CSR are not yet applicable to the subsidiary.

### 20. Particulars of Long Term Borrowings:

(₹ In Lakhs)

Balaji Amines Limited										
Name of Financial Institution	Amount of Loan Sanctioned	Rate of Interest	Tenure of Loan (Months)	Date of Maturity	Classification of Loan	Nature of Security	Terms of Repayment	Whether Demand Loan?	Whether loan is default?	Personal Guarantee by Directors / Others
NOT APPLICABLE										

BALAJI SPECIALITY CHEMICALS LIMITED (Formerly known as BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED)										
Name of Financial Institution	Amount of Loan Sanctioned	Rate of Interest	Tenure of Loan (Months)	Date of Maturity	Classification of Loan	Nature of Security	Terms of Repayment	Whether Demand Loan?	Whether loan is default?	Personal Guarantee by Directors / Others
Bank of Baroda - Term Loan - 2534600000589	4,999.78	8.40%	66	31/10/24	Secured	1. 1 <sup>st</sup> pari passu charge with HDFC bank on entire fixed asset, land and building and plant & machinery (present & future) located at Plot no. E-8/1, MIDC Chincholi Solapur of the company created / to be created out of the proposed project outlay of ₹163.50 Crs. 2. 2 <sup>nd</sup> pari passu charge with HDFC Bank of entire current assets of the company (both present & future). Personal Guarantee of Mr. A Prathap Reddy, Mr. N. Rajeshwar Reddy, Mr. D. Ram Reddy, Mr. G. Hemanth Reddy, Mr. A. Srinivas Reddy 3. Corporate Guarantee of M/s. Balaji Amines Limited (company to ensure compliance of applicable provisions of the Companies Act, 2013).	Monthly	Yes	No	Yes
HDFC Bank Ltd. - Term Loan - 007LN06200350001	5,000.00	7.50%	66	31/10/24	Secured	1. First pari passu charge on fixed asset, land and building and plant & machinery located at Plot no. E-8/1, MIDC Chincholi Solapur	Monthly	Yes	No	No
HDFC Bank Ltd. - Term Loan - 007LN06193340003	5,000.00	7.50%	66	30/05/26	Secured	2. Corporate Guarantee of M/s. Balaji Amines Limited (company to ensure compliance of applicable provisions of the Companies Act, 2013). 4. Second pari passu charge on current assets of the Company.	Monthly	Yes	No	No



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 21. Particulars of Short Term Borrowings

(₹ In Lakhs)

#### Annexure to Note 20: Borrowings - Current Liabilities

Name of Financial Institution	Amount of Loan Sanctioned	Rate of Interest	Tenure of Loan (Months)	Date of Maturity	Classification of Loan	Nature of Security	Terms of Repayment	Whether Demand Loan?	Whether loan is default?	Personal Guarantee by Directors / Others
STATE BANK OF INDIA	-	7.10%	On Demand	NA	Secured	Primary Security: First pari-passu charge (Hypothecation) of all current assets of the company including stock of Raw Material, SIP, Stores & Spares, Packing Material, Finished Goods & Receivables for the consortium working capital limits.	NA	No	No	No
BANK OF BARODA	-	6.60%	On Demand	NA	Secured	Collateral Security : pari-passu first charge for the consortium working limits on land & building and other movable fixed assets including plant & machinery, both present and future of 1) Unit-1 (Freehold) Gat No.194,195,196, 197 & 201, Tamalwadi, Dist.Osmanabad, Maharashtra. Total extent : 6.75 Hectare. 2) Unit-3 Leasehold (for 95 Years), Plot No.E 7 & 8, MIDC Chincholi, Solapur, Maharashtra. Total extent : 1,60,000 Sqm."	NA	No	No	No
HDFC BANK LTD.	-	7.10%	On Demand	NA	Secured		NA	No	No	No

(Formerly known as BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED)										
Name of Financial Institution	Amount of Loan	Rate of Interest	Tenure of Loan (Months)	Date of Maturity	Classification of Loan	Nature of Security	Terms of Repayment	Whether Demand Loan?	Whether loan is default?	Personal Guarantee by Directors / Others
HDFC BANK LTD.C/C NO.28190330000018	-89.93	7.10%	On Demand	NA	Secured	<b>Primary Security:</b> • Current Assets - First Pari Passu charge on current asset of company along with Bank of Baroda	NA	Yes	No	No
HDFC BANK LTD. 007LN01212980001	1,500.00	6.70%	1	24/11/21	Secured	• Corporate Guarantee - Corporate Guarantee of M/s Balaji Amines Ltd <b>Secondary Security:</b> • Immovable Fixed assets – Second Pari Passu charge with SBI on fixed asset , land and building located at Plot No E-8/1 MIDC Chincholi Solapur • Movable Fixed assets - Second Pari Passu charge with SBI on plant & Machinery (Present & Future) located at Plot No E-8/1 MIDC Chincholi Solapur	on Maturity	Yes	No	No



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 21. Particulars of Short Term Borrowings (Contd.)

(₹ In Lakhs)

(Formerly known as BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED)										
Name of Financial Institution	Amount of Loan	Rate of Interest	Tenure of Loan (Months)	Date of Maturity	Classification of Loan	Nature of Security	Terms of Repayment	Whether Demand Loan?	Whether loan is default?	Personal Guarantee by Directors / Others
STATE BANK OF INDIA .C/C NO.40674835559	61.58	7.10%	On Demand	NA	Secured	<b>Primary Security:</b> • Current Assets - First Pari Passu charge on all current asset of company along with including stock of raw materials,SIP,stores & spares, packing material,finished goods,-book debts and other receivable along with HDFC Bank.	NA	Yes	No	No upto the date of signing the Financials
STATE BANK OF INDIA .C/C NO.40810367222	17.54	7.10%	On Demand	NA	Secured	• Personal Guarantee – If the Personal Guarantee of Mr A Prathap Reddy, Mr N Rajeshwar Reddy, Mr D Ram Reddy , Mr G Hemanth Reddy and Mr A Srinivas Reddy are not released by HDFC Bank and Bank of Baroda for their respective limits by 31.03.2022, company has to offer similar personal guarantee to our exposure also. • Corporate Guarantee - Corporate Guarantee of M/s Balaji Amines Ltd <b>Secondary Security:</b> • Immovable Fixed assets – Second Pari Passu charge along with HDFC Bank on entire fixed asset , land (lease hold) and building located at Plot No E-8/1 MIDC Chincholi kati industrial area , Solapur admeasuring 41,920 sq Mts. • Movable Fixed assets -Second Pari Passu second charge along with HDFC Bank on movable fixed asset ( including P &M ),both Present & Future located at Plot No E-8/1 MIDC Chincholi Solapur	NA	Yes	No	No upto the date of signing the Financials



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 22. Segment Reporting:

The group operates in three segments viz., (a) Amines & Specialty Chemicals, (b) Hotel segment and (c) CFL Lamps. There is no geographical segment as the company operates only in India.

The segment results are as under:

(₹ In Lakhs)

Sl. No.	Particulars	Year ended	
		31.03.2022 (Audited)	31.03.2021 (Audited)
<b>1</b>	<b>Segment Revenue</b>		
	Amines & Speciality Chemicals	2,41,779.52	1,40,101.28
	Hotel Division	1,620.32	720.04
	CFL Lamps	71.12	60.71
	<b>Sub Total :</b>	<b>2,43,470.96</b>	<b>1,40,882.03</b>
	Less: Inter-segment revenue	11,435.73	9,736.52
	<b>Revenue from operations</b>	<b>2,32,035.23</b>	<b>1,31,145.51</b>
<b>2</b>	<b>Segment Results before Tax &amp; Interest</b>		
	Amines & Speciality Chemicals	59,452.28	36,625.73
	Hotel Division	111.49	(303.39)
	CFL Lamps	(24.78)	(1,833.57)
	<b>Total :</b>	<b>59,538.99</b>	<b>34,488.77</b>
<b>a</b>	<b>Less : Interest</b>		
	Amines & Speciality Chemicals	1,700.48	1,824.11
	Hotel Division	9.66	4.94
	CFL Lamps	0.02	0.18
	<b>Total :</b>	<b>1,710.16</b>	<b>1,829.23</b>
<b>b</b>	<b>Segment Profit/Loss (-) before tax</b>		
	Amines & Speciality Chemicals	57,751.80	34,801.62
	Hotel Division	101.83	(308.33)
	CFL Lamps	(24.80)	(1,833.75)
	<b>Total :</b>	<b>57,828.83</b>	<b>32,659.54</b>
<b>3</b>	<b>Capital Employed</b>		
<b>a</b>	<b>Segment Assets</b>		
	Amines & Speciality Chemicals	1,80,085.57	1,23,016.08
	Hotel Division	6,442.79	6,864.76
	CFL Lamps	949.03	1,152.09
	<b>Total :</b>	<b>1,87,477.39</b>	<b>1,31,032.93</b>
<b>b</b>	<b>Segment Liabilities</b>		
	Amines & Speciality Chemicals	54,842.71	38,907.53
	Hotel Division	1,000.05	974.16
	CFL Lamps	148.51	159.15
	<b>Total :</b>	<b>55,991.27</b>	<b>40,040.84</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 23. Related Party transactions:

Name of the related party	Relationship	Nature of Transaction	Transaction value Rupees	Balance outstanding – Receivable / (-) Payable as on date of Balance Sheet Rupees	Amount written off / back
Balaji Speciality Chemicals Limited	Company in which the Enterprise is substantially interested, by holding 55% of shares in the total paid up share capital.	Unsecured Loan given Loan Received back Interest Receipt thereon	₹ 2,00,00,000/- ₹13,34,76,847/- ₹5,43,19,192/-	₹66,00,00,000/- Nil Nil	Nil Nil Nil
Balaji Speciality Chemicals Limited	Company in which the Enterprise is substantially interested, by holding 55% of shares in the total paid up share capital.	a. Sales b. Purchase	₹93,23,41,017/- ₹20,26,18,366/-	₹9,83,75,198/-	Nil
Balaji Speciality Chemicals Limited	Company in which the Enterprise is substantially interested, by holding 55% of shares in the total paid up share capital.	Rent Receipt	₹60,000/-	Nil	Nil
Thirumala Precicasts Pvt. Ltd.	A Company in which Directors are interested	Rent Receipt	₹3,74,762/-	₹28,812/-	Nil
MVL Medisynth Pvt. Ltd.	A Company in which Directors are interested	a. Sales b. Purchase	₹3,23,18,443/- ₹12,44,730/-	₹2,27,22,641/-	Nil
SVS Sourcing Pvt.Ltd.	A Company in which Directors are interested	a. Sales	₹52,17,67,333/-	₹35,76,38,059/-	Nil
Sri A. Prathap Reddy	Executive Chairman	Remuneration & Allowances Commission on Profits	₹54,25,200/- ₹13,55,85,781/-	Nil ₹13,55,85,781/-	Nil Nil
Sri N. Rajeshwar Reddy	Joint Managing Director	Remuneration & Allowances Commission on Profits	₹46,03,200/- ₹8,94,04,121/-	Nil ₹8,94,04,121/-	Nil Nil
Sri D. Ram Reddy	Managing Director	Remuneration & Allowances Commission on Profits	₹46,03,200/- ₹8,94,04,121/-	Nil ₹8,94,04,121/-	Nil Nil
Sri G. Hemanth Reddy	Whole Time Director & CFO	Remuneration & Allowances Commission on Profits	₹46,03,200/- ₹4,24,00,460/-	Nil ₹4,24,00,460/-	Nil Nil
Sri A. Srinivas Reddy	Whole Time Director	Remuneration & Allowances Commission on Profits	₹41,10,000/- ₹8,98,97,321/-	Nil ₹8,98,97,321/-	Nil Nil

### 24. Additional Information pertaining to Statement of Profit and Loss

Sl. No.	Nature of Income /Expenses	Current Year		Previous Year	
		Amount In Foreign Currency	Amount In INR	Amount In Foreign Currency	Amount In INR
1	Export Earning	\$ 4,16,56,725.24 € 1,66,06,256.00	3,08,33,69,578.44 1,41,67,28,385.19	\$ 1,72,08,190.09 € 60,40,924.01	1,25,99,71,065.12 51,97,12,453.18
2	Sales Commission	\$ 16,172.50 € 4,068.00	11,92,056.00 3,40,898.00	\$ 50,561.30	37,01,666.87
3	Registration & Renewals	\$ 990 € 47,141.00	73,187.00 40,72,734.44	\$ 990 € 3,820.00	73,187.00 3,43,532.00
4	Printing & Stationary	€ 5,500.00 ¥ -	4,08,815.00 -	€ - ¥ -	- -



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 24. Additional Information pertaining to Statement of Profit and Loss (Contd.)

Sl. No.	Nature of Income /Expenses	Current Year		Previous Year	
		Amount In Foreign Currency	Amount In INR	Amount In Foreign Currency	Amount In INR
5	Capital Goods & Spares	\$ 14,62,889.00 € 14,500.00 ¥ 5,10,000.00	10,80,63,084.54 12,48,712.00 3,52,002.00	\$ 5,19,886.00	3,83,56,810.20
6	Raw Material	\$ 6,73,51,923.09 € 3,07,100.00	499,54,20,096.16 2,63,76,821.00	\$ 2,66,00,528.22 € 34,265.31	1,96,90,72,628.92 29,78,683.00
7	Finance Charges	\$ 8,291.60 € 6,334.90	6,13,816.18 5,67,084.63	\$ 7,158.49 € 4,280.40	5,28,954.91 3,67,666.00
8	Technical Know How Fees	\$ 6,56,250.00	4,86,54,487.00	\$ 6,91,800.00	5,10,46,686.00

### 25. Accounting Ratios and related information

Sr No	Ratio	Formulae	Amount 31.03.2022	Amount 31.03.2021	Ratio 31.03.2022	Ratio 31.03.2021	% Change	Reason for change
(a)	Current ratio	Current Assets Current Liabilities	1,04,206.70 41,801.10	57,708.46 24,280.56	2.49	2.38	5%	
		Total Debt	10,063.73	12,706.60				
(b)	Debt-equity ratio	Shareholder's Equity	1,31,486.12	90,992.09	0.08	0.14	45%	Increase in Sales resulting in increase in profit, improved Debt Equity Ratio
(c)	Debt service coverage ratio	Earnings available for debt service Debt Service	49,783.77 4,353.03	29,999.42 15,079.20	11.44	1.99	475%	Increase in Sales resulting in increase in profit, improved Debt service coverage ratio
(d)	Return on equity ratio	Net Profits after taxes – Preference Dividend Shareholder's Equity	41,790.07 1,31,486.12	24,349.55 90,992.09	32%	27%	19%	
(e)	Inventory turnover ratio	Cost of goods sold OR sales Average Inventory	2,32,035.23 16,614.82	1,31,145.51 10,937.20	13.97	11.99	16%	
(f)	Trade receivables turnover ratio	Net Credit Sales Avg. Accounts Receivable	2,32,035.23 44,690.20	1,31,145.51 25,654.84	5.19	5.11	2%	
(g)	Trade payables turnover ratio	Net Credit Purchases Average Trade Payables	1,51,059.14 12,661.00	74,282.88 6,807.91	11.93	10.91	9%	
(h)	Net capital turnover ratio	Net Sales Working Capital	2,32,035.23 62,405.60	1,31,145.51 33,427.90	3.72	3.92	-5%	
(i)	Net profit ratio	Net Profit Net Sales	41,790.07 2,32,035.23	24,349.55 1,31,145.51	18%	19%	-3%	
(j)	Return on capital employed	Earning before interest and taxes Capital Employed	59,538.98 1,48,324.75	34,488.77 1,08,423.05	40%	32%	26%	Increase in Sales & better price realisation leads to improvement in return on capital employed
(k)	Return on investment	Net Profit Fixed Assets	41,790.07 68,117.77	24,349.55 54,291.67	61%	45%	37%	Increase in capacity utilisation resulting in improvement in return on investment



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 26. Trade Receivables ageing schedule as on 31 March 2022

(₹ In Lakhs)

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	59,912.50	-	-	-	-	59,912.50
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables — considered good	-	-	2.91	-	-	2.91
(v) Disputed Trade Receivables — which have significant	-	-	-	-	-	-

### 27. Trade Receivables ageing schedule as on 31 March 2021

(₹ In Lakhs)

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	31,440.57	95.38	18.71	-	-	31,554.66
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables — considered good	-	-	2.91	-	-	2.91
(v) Disputed Trade Receivables — which have significant	-	-	-	-	-	-

### 28. Trade Payables ageing schedule as on 31 March 2022

(₹ In Lakhs)

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	1,792.59	-	-	-	1,792.59
(ii) Others	15,849.81	-	-	-	15,849.81
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

### 29. Trade Payables ageing schedule as on 31 March 2021

(₹ In Lakhs)

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	670.58	-	-	-	670.58
(ii) Others	7,009.02	-	-	-	7,009.02
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 30. Additional Information related to Subsidiaries, Associates & Joint Venture

Name of the entity in the Group	Net Asset i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	
<b>Parent- Balaji Amines Limited</b>								
<b>Subsidiaries Indian</b>								
1 Balaji Speciality Chemicals Limited	55%	10,460.74	55%	6,047.79	0.00	0.00	0.00	0.00
Non-Controlling Interest in all subsidiaries	45%	8,558.78	45%	4948.19	0.00	0.00	0.00	0.00
<b>Associates (Investment as per the equity method)</b>								
Indian	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Foreign	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Joint Venture (Investment as per the equity method)</b>								
Indian	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Foreign	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Total</b>		<b>19,019.52</b>		<b>10,995.98</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**31.** The details with respect to the dues under MSME Act are being furnished to the extent the confirmation of MSME status is made available to the company.

**32.** Previous year's figures are regrouped and reclassified wherever considered necessary to conform with the current year grouping / classifications.



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Assets	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	As at 31.03.2021	Additions Deletion	As at 31.03.2021	For the Period	As at 31.03.2021	As at 31.03.2022
Land	3,462.03	2,361.78	45.55	53.68	3,416.48	5,724.58
Factory Buildings	14,213.48	2,486.69	2,979.54	424.70	11,233.94	13,295.93
Office Buildings	738.41	453.47	71.75	18.82	666.66	1,101.31
Wind Electric Generator	1,716.03	63.00	939.82	71.09	776.21	763.04
Plant & Machinery	47,931.04	11,660.98	15,678.53	2,960.87	32,252.51	40,948.80
Plant & Machinery R & D	5,599.59	-	1,962.62	214.76	3,636.97	3,422.21
Furniture & Fixtures	2,345.71	147.05	1,818.44	252.57	527.27	421.75
Office Equipment	196.70	22.68	165.29	12.77	31.41	41.32
Vehicles	575.51	166.09	369.21	60.07	206.30	293.87
Others	2,350.90	692.08	634.79	131.04	1,716.11	2,277.15
<b>Total :</b>	<b>79,129.40</b>	<b>18,053.82</b>	<b>24,665.54</b>	<b>4,200.37</b>	<b>54,463.86</b>	<b>68,289.96</b>
Less : Interest capitalised adjustment for FY 2018-19 & 2019-20 in the books of Subsidiary	172.19	-	-	-	172.19	172.19
<b>Total :</b>	<b>78,957.21</b>	<b>18,053.82</b>	<b>24,665.54</b>	<b>4,200.37</b>	<b>54,291.67</b>	<b>68,117.77</b>

#### Note 2 : Property, plant and equipment

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### Note 3 : Capital work in progress

Particulars	As at March 31, 2022	As at March 31, 2021
Expansion Project - at the beginning of the year	17,327.57	4,626.67
Expenditure incurred during the year	14,006.86	12,700.90
At the end of the year	31,334.43	17,327.57
<b>Less: Commissioned during the year</b>	<b>17,240.85</b>	<b>0.00</b>
<b>Total</b>	<b>14,093.58</b>	<b>17,327.57</b>

### Note 4 : Others

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(i) Security Deposits</b>		
Deposit with Government Departments	440.86	439.14
Others-Security Deposits	78.23	54.05
<b>(ii) Bank deposits with more than 12 months maturity</b>		
<b>Balance with Scheduled Banks</b>		
In Margin money deposits (towards guarantees issued by banks.)	80.21	97.90
<b>(iii) others(to be specified);</b>		
Corporate guarantee - Subsidiary	-	-
<b>Total (A)</b>	<b>599.30</b>	<b>591.09</b>

### Note 5: Other non-current assets

Particulars	As at March 31, 2022	As at March 31, 2021
Advances towards Capital Goods	460.04	1,081.51
Preliminary Expenses	-	32.63
<b>Total</b>	<b>460.04</b>	<b>1,114.14</b>

### Note 6 : Inventories

Particulars	As at March 31, 2022	As at March 31, 2021
<b>[As verified, valued and certified by the Management]</b>		
Raw Material	6,426.27	4,225.02
Work-in-Process	2,584.43	245.50
Finished Goods	6,820.91	3,771.43
Goods-in-transit / at Bonded Warehouse	4,107.88	1,153.25
Housekeeping, Kitchen, Stewarding	54.21	50.10
Food & Beverages	22.80	24.14
Stores, Spares	887.90	667.13
Packing Materials	363.12	329.32
Fuel & Others etc.	968.31	527.91
<b>Total</b>	<b>22,235.83</b>	<b>10,993.80</b>

### Note 7 : Investments

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Others</b>		
National Saving Certificate	0.10	0.10
<b>Total</b>	<b>0.10</b>	<b>0.10</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### Note 8 : Trade Receivables

(₹ In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Trade Receivables considered good - Secured;	-	-
<b>(b) Trade Receivables considered good - Unsecured and considered good;</b>		
Related Parties	-	-
Others	58,814.57	30,565.82
(c) Trade Receivables which have significant increase in Credit Risk; and	-	-
(d) Trade Receivables - credit impaired.	-	-
<b>Total</b>	<b>58,814.57</b>	<b>30,565.82</b>

### Note 9 : Cash and cash equivalents

(₹ In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash in hand	2.28	0.56
<b>Balance with Scheduled Banks</b>		
In current accounts	341.18	388.85
<b>Balance to the Credit of the company in Cash Credit Accounts</b>	<b>2,969.18</b>	<b>1,342.82</b>
<b>Total</b>	<b>3,312.64</b>	<b>1,732.23</b>

### Note 10 : Bank balance

(₹ In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>A) Amines division</b>		
<b>Balance with Scheduled Banks</b>		
Term Deposit	500.00	-
In Margin money deposits	1,343.28	232.09
<b>Total</b>	<b>1,843.28</b>	<b>232.09</b>

### Note 11 : Other current Assets

(₹ In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with Revenue Authorities	1,223.54	2,966.14
Advances to Suppliers	2,660.13	2,748.40
Employees' advances	7.39	16.29
Income Tax Refund Receivable	228.57	228.57
Tax Paid against disputed demand (A.Y. 2013-14)	19.98	19.98
Tax Paid against disputed demand (A.Y. 2014-15)	231.08	231.08
Tax Paid against disputed demand (A.Y. 2016-17)	9.25	9.25
Tax Paid against disputed demand (A.Y. 2017-18)	29.31	29.31
Tax Paid against disputed demand (A.Y. 2019-20)	1.96	1.96
Deposit Against disputed TDS demand (A.Y. 2018-19)	4.28	-
Deposit Against disputed TDS demand (A.Y. 2019-20)	7.01	-
Others - Unsecured, considered good	285.41	411.99
<b>Total</b>	<b>4,707.91</b>	<b>6,662.97</b>



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### Note 12 : Equity share capital

(₹ In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>a. Authorised</b>		
At the beginning of the year	4,550.00	4,550.00
22,75,00,000 Equity Shares of ₹2/- each.		
At the end of the year	4,550.00	4,550.00
<b>b. Movements in paid up capital</b>		
At the beginning of the year	648.02	648.02
Changes during the year	-	-
<b>At the end of the year</b>	<b>648.02</b>	<b>648.02</b>

### Note 13: Other Equity - Reserves and Surplus

(₹ In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Capital Reserves	6.21	6.21
b) Share Premium Account	569.61	569.61
c) State Subsidy	297.90	297.90
<b>Total A</b>	<b>873.72</b>	<b>873.72</b>
d) General Reserve		
At the beginning of the year	9,733.32	7,416.21
<b>Add : Transfer from statement of Profit and Loss</b>	<b>3,078.70</b>	<b>2,317.11</b>
<b>Total B</b>	<b>12,812.02</b>	<b>9,733.32</b>
e) Balance in Statement of Profit and Loss brought forward from previous year	78,183.92	56,876.19
Add : Profit for the year	36,841.88	23,819.25
Less : (i) Transfer to General Reserve	3,078.70	2,317.11
(ii) Final Dividend 2019-20	-	194.41
(iii) Dividend FY 2020-21	1,296.04	-
<b>Balance in Statement of Profit and Loss at the end of year Total C</b>	<b>1,10,651.06</b>	<b>78,183.92</b>
<b>Total other equity (A + B + C)</b>	<b>1,24,336.80</b>	<b>88,790.96</b>

### Note 14: Borrowings

(₹ In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>1. Secured Term Loan</b>		
(i) HDFC Bank Limited	4,318.18	6,136.36
(ii) Bank of Baroda	1,439.25	2,348.54
<b>2. Unsecured Term Loan</b>		
<b>From Other Parties</b>		
A.Prathap Reddy	-	400.00
<b>Total</b>	<b>5,757.43</b>	<b>8,884.90</b>

The term loan borrowings relate to the subsidiary. These are secured by first charge in all the fixed assets of the subsidiary, both present and future. The directors of the company viz, Sri A.Prathap Reddy, Sri N.Rajeshwar Reddy, Sri D.Ram Reddy, Sri G.Hemanth Reddy and Sri A Srinivas Reddy have provided personal guarantees. In addition to the above the parent company has provided corporate Guarantees to an extent ₹ 250 Crs. to the terms lenders. There are no term loan borrowings in parent company. The particulars relating to these borrowings are given in Note 1-VI-20



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### Note 15: Trade payables

(₹ In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(A) total outstanding dues of micro enterprises and small enterprises; and	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		
Amines Division-Creditors for Capital Goods	1,426.42	1,677.61
Rental Deposit	92.95	89.24
<b>Total</b>	<b>1,519.37</b>	<b>1,766.85</b>

### Note 16: Other financial liabilities

(₹ In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deposits from Customers	40.60	48.60
Advance from Customers	-	238.72
<b>Total</b>	<b>40.60</b>	<b>287.32</b>

### NOTE 17: Deferred Tax Liabilities / Assets

(₹ In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Beginning of the year relating to the fixed assets	4,724.36	4,372.91
<b>Total</b>	<b>4,724.36</b>	<b>4,372.91</b>
<b>Add / (Less): Timing difference arising during the year on account of depreciation</b>	<b>2,050.54</b>	<b>351.45</b>
<b>Deferred Tax Liability (Net)</b>	<b>6,774.90</b>	<b>4,724.36</b>

Deferred tax liabilities provided for relate to Property Plant & Equipment and other tangible assets. The company does not have any asset accounted at fair value or any other asset that requires adjustments.

### Note 18: Other non-current liabilities

(₹ In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Revenue Export Benefits	97.87	96.85
<b>Total</b>	<b>97.87</b>	<b>96.85</b>

### Note 19: Borrowings

(₹ In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>a. Secured</b>		
<b>Towards working capital - Repayable on demand</b>		
(i) State Bank of India *	79.12	-
(ii) HDFC Bank *	1,500.00	1,094.52
(iii) Bank of Baroda *	-	-
* Includes sub limit of demand Loan		
<b>Total</b>	<b>1,579.12</b>	<b>1,094.52</b>

The particulars relating to these borrowings are given in Note 1-VI-21.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### Note 20: Trade payables

(₹ In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(A) total outstanding dues of micro enterprises and small enterprises; and	1,792.59	670.58
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		
Creditors for raw materials & others	15,849.81	7,009.02
<b>Total</b>	<b>17,642.40</b>	<b>7,679.60</b>

### Note 21: Other financial liabilities

(₹ In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Advance from Customers</b>		
Amines Division	215.87	245.73
Hotel Division	29.49	-
<b>Current maturities of long term debt from banks payable within twelve months</b>		
(i) HDFC Bank	1,818.18	1,818.18
(ii) Bank of Baroda	909.00	909.00
Interest accrued but not due on borrowings	32.80	35.18
Current maturities of finance lease obligations	1.16	0.09
<b>Total</b>	<b>3,006.50</b>	<b>3,008.18</b>

### Note 22: Other Current liabilities

(₹ In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Statutory Dues</b>		
Goods & Service Tax	156.95	343.81
Tax Collected & Deducted at Source	31.73	16.91
Value Added Tax	2.45	0.67
<b>Total</b>	<b>191.13</b>	<b>361.39</b>

### Note 23: Provisions

(₹ In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Salaries	221.49	198.11
Provident Fund	43.54	38.53
Employees State Insurance	3.97	3.04
Remuneration to Directors	4,466.92	3,218.66
Electricity Charges	296.26	329.65
Others - expenses	512.02	213.88
<b>Total</b>	<b>5,544.20</b>	<b>4,001.87</b>

### Note 24: Current Tax Liabilities

(₹ In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Current Tax	13,837.75	8,135.00
<b>Total</b>	<b>13,837.75</b>	<b>8,135.00</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### Note 25 : Revenue From Operations

(₹ In Lakhs)

Particulars	For the Period ended March 31, 2022	For the Period ended March 31, 2021
Sale of Aliphatic Amines, Speciality Chemicals, Derivatives of Amines and CFL Lamps.(including Export Benefits)	2,32,035.23	1,31,145.51
<b>Total Revenue from operations ( Net )</b>	<b>2,32,035.23</b>	<b>1,31,145.51</b>

### Note 26 : Other Income

(₹ In Lakhs)

Particulars	For the Period ended March 31, 2022	For the Period ended March 31, 2021
Income from Wind Electric Generator	169.07	106.72
Interest on Margin Money Deposit	36.00	41.23
Interest on Security Deposit	19.87	16.39
Profit on Sale of Fixed Assets	10.73	19.34
Profit on Redemption of Mutual Fund	3.36	77.41
Rent Receipt	171.61	77.72
Sales Tax Refund and interest thereon	5.43	-
State Subsidy Received	258.62	266.69
Refund of Stamp Duty	2.48	-
Reimbursement of Expenses	38.44	-
Miscellaneous Income	8.95	1.91
<b>Total</b>	<b>724.56</b>	<b>607.41</b>

### Note 27 : Cost of material consumed

(₹ In Lakhs)

Particulars	For the Period ended March 31, 2022	For the Period ended March 31, 2021
<b>Opening Stock</b>	4,299.26	1,931.73
Add: Purchases		
Raw Material - Domestic	63,822.45	36,265.02
Raw Material - Imports CIF Value	66,022.57	27,682.73
<b>Sub- Total</b>	<b>1,34,144.28</b>	<b>65,879.48</b>
Less : Closing Stock	6,503.28	4,299.26
<b>Net Total ( A + B )</b>	<b>1,27,641.00</b>	<b>61,580.22</b>

### Note 28 : Changes in Inventories of Finished Goods & Work in Process

(₹ In Lakhs)

Particulars	For the Period ended March 31, 2022	For the Period ended March 31, 2021
<b>(a) Opening Stock</b>		
Finished Goods	3,771.43	3,326.81
Work-in -process	245.50	2,135.51
<b>Sub- Total (a)</b>	<b>4,016.93</b>	<b>5,462.32</b>
<b>(b) Closing Stock</b>		
Finished Goods	6,820.91	3,771.43
Work-in -process	2,584.43	245.50
<b>Sub- Total (b)</b>	<b>9,405.34</b>	<b>4,016.93</b>
<b>Difference of (a) and (b) Increase (-) / Decrease(+)</b>	<b>(5,388.41)</b>	<b>1,445.39</b>



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### Note 29 : Employee benefits

(₹ In Lakhs)

Particulars	For the Period ended March 31, 2022	For the Period ended March 31, 2021
Salaries,Wages and other allowances	3,397.23	2,790.84
Remuneration to Directors	4,680.06	3,425.98
Bonus	124.45	122.68
Lockdown Incentive Reward	-	68.29
Premium towards Gratuity Scheme of LIC	517.13	60.23
Contribution to Provident Fund	231.50	191.07
Contribution to Employees State Insurance	33.54	26.00
Contribution to Labour Welfare Fund	0.76	0.76
Staff Welfare Expenses	133.40	66.61
Group Insurance Premium	36.18	29.99
<b>Total</b>	<b>9,154.25</b>	<b>6,782.45</b>

### Note 30 : Finance Cost

(₹ In Lakhs)

Particulars	For the Period ended March 31, 2022	For the Period ended March 31, 2021
Interest on Working Capital Borrowings	363.36	395.68
Interest on Term Loan	816.88	1,193.35
Interest on Income Tax	131.02	-
Processing Charges	90.68	101.37
Interest Cost on Lease As Per IND AS116	0.12	0.06
Bank Charges	308.10	138.77
<b>Total</b>	<b>1,710.16</b>	<b>1,829.23</b>

### Note 31: Other Expenses

(₹ In Lakhs)

Particulars	For the Period ended March 31, 2022	For the Period ended March 31, 2021
<b>A) Amines division</b>		
<b>a) Manufacturing Expenses</b>		
i) Power and Fuel	21,155.59	12,502.26
ii) Stores, Spares Consumed	1,714.80	992.04
iii) Repairs & Maintenance - Plant & Machinery	1,055.97	621.62
iv) Repairs & Maintenance - Building & Other	184.64	105.02
v) Repairs & Maintenance - Kitchen Equipments	0.83	0.06
<b>b) Selling &amp; Distribution Expenses</b>		
i) Advertisement, Publicity & Sales Promotion	850.46	553.01
ii) Discount on Sales	100.60	306.83
iii) Outward Freight	6,128.07	3,938.70
iv) Packing & Forwarding	4,480.55	3,273.62
v) Other Selling & Distribution	426.96	360.91

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### Note 31: Other Expenses (Contd.)

(₹ In Lakhs)

Particulars	For the Period ended March 31, 2022	For the Period ended March 31, 2021
<b>c) Administrative &amp; General Expenses</b>		
i) Rent	5.09	11.90
ii) Rates & Taxes	208.31	175.16
iii) Repairs & Maintenance - Office Equipments	12.13	6.40
iv) Repairs & Maintenance - Furniture	5.30	4.52
v) Auditors Remuneration		
- As Auditors	40.02	25.33
- Tax Audit Fees	5.68	0.68
vi) Premium in respect of "Employer-Employees Policy"	489.83	134.70
vii) Other Expenses	929.37	798.31
viii) Preliminary Expenses Written Off	32.63	10.88
<b>d) Insurance</b>		
i) Plant & Machinery & Building	135.74	106.90
ii) Wind Electric Generator	5.28	4.87
iii) Raw Material & Finished Goods	80.02	58.75
iv) Cash In Transit	0.17	0.07
v) Loss of Profit	44.48	39.14
vi) Motor Vehicle	8.63	8.47
vii) Public Liability Act	10.89	6.74
<b>e) Foreign Exchange Fluctuations Loss / (Gain)</b>	(1,074.04)	(528.73)
<b>f) Research &amp; Development Expenses</b>	56.04	94.42
<b>g) Expenditure on Corporate Social Responsibility</b>	425.02	374.06
<b>h) Operator's Management &amp; Incentives Fees</b>	94.54	28.35
<b>Total</b>	<b>37,613.60</b>	<b>24,014.99</b>

Notes 1 to 31 form part of Financial Statements

As per our report of even date  
For **Ayyadevara & Co.,**  
Chartered Accountants  
FRN: 000278S

For and on behalf of Board of Directors

**Ayyadevara Srinivas**  
Proprietor  
ICAI Membership No. 028803  
Hyderabad, May 11, 2022.  
UDIN: 22028803AJWFMA5285

**A Prathap Reddy**  
Executive Chairman  
DIN 00003967

**G Hemanth Reddy**  
Whole Time Director & CFO  
DIN 00003868

**Lakhan Dargad**  
Company Secretary