



INDEPENDENT AUDITOR'S REPORT

To the Members of Balaji Speciality Chemicals Private Limited,

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Balaji Speciality Chemicals Private Limited ("the Company"), which comprise the balance sheet as at 31st March 2021, and the Statement of Profit and Loss, Statement Of Changes In Equity And Statement Of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard Prescribed under section 133 read with Companies (Indian Accounting Standards) Rules 2015, as amended, (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit/loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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



Emphasis of Matter

Refer Note No.(T) of the Notes to the Accounts, company has not made the provision for tax of Rs. 1.53 Crores in the books relying on the judicial precedent of Hon. Karnataka High court case of Best Trading and Agencies Ltd., 119 taxmann.com 129. Non provision in the books does not have any effect on profit and loss account.

Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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



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

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

Report on Other Legal and Regulatory Requirements

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

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.



- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company does not have any pending litigations which would impact its financial position.
- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Solapur

Date: 22.05.2021

For, **PANDHARE AND COMPANY**
CHARTERED ACCOUNTANTS


S. B. Pandhare

Chartered Accountant
Partner, M. No.: 016834
Firm Reg. No: 107292W

UDIN:21016834AAAABK9186



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

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

We have audited the internal financial controls over financial reporting of **Balaji Speciality Chemicals Private Limited**. ("the Company") as of March 31, 2021 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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



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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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



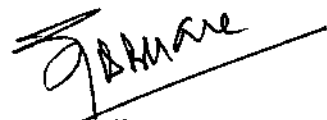
Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at **March 31, 2021**, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



S. B. Pandhare
Partner, M. No.: 016834
UDIN:21016834AAAABK9186

Place: Solapur
Date:22.05.2021



ANNEXURE "B" INDEPENDENT AUDITOR'S REPORT

Statement referred to in our Audit Report of even date to the Members of **Balaji Speciality Chemicals Private Limited** on the financial statements for the year ended 31st March 2021, we report that,

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

As explained to us, the physical verification of major portion of fixed asset as on 31.03.2021 was conducted by the management during the year. In our opinion, the frequency of verification is reasonable. Having regard to the size of operation of the company and the basis of explanation received, in our opinion, the net difference found on physical verification was not significant. (Para 3 (i)(b))

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

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



cost record u/s. 148(1) of the Companies Act, 2013 and are of the opinion that prima facie , prescribed accounts have been made and maintained. (Clause 3 (vi))

7. According to the records of the company, the company is regular in depositing undisputed statutory dues including income tax, provident fund, employees' state insurance, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. In respect of income tax, company has not made the provision for the tax relying on order of Karnataka high Court (119 taxmann.com 129) (Clause 3 (vii)(a))

According to information and explanation given to us, no undisputed amount payable in respect of income tax, sales tax, VAT, Custom Duty, Excise as at 31.03.2021 for the period of more than six months from the date they become payable. (Clause 3 (vii)(a))

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

Statement of Disputed Dues

Statute	Financial Year	Nature of Dues	Tax including interest	Forum where dispute is pending
Income Tax Act	2017-18	TDS	21,39,082	CIT (Appeal)

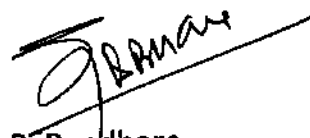
8. Based on our audit procedures and on the information and explanation given by the management, we are of the opinion that, the company has not defaulted in repayment of dues to financial institution, bank, Government as at balance sheet date. (Clause 3 (viii))
9. Based on our audit procedures performed and information and explanation given by the Management, we report that, Company has not raised money by way initial public offer. Further the term loans were applied for the purpose for which those are raised in the year. (Clause 3 (ix))
10. Based on our audit procedures performed and information and explanation given by the Management, we report that, prima facia no fraud on the



company by its officers or employees has been noticed reported under the course of our audit. (Clause 3 (x))

11. Company has not given any remuneration to director. Hence this clause is not applicable. (Clause 3 (xi))
12. According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act, hence clause 3(xii) is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sec. 177 & Section 188 of the Act, where applicable and the details have been disclosed is given in the financial statement (Clause 3 (xiii))
14. According, to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. (Clause 3 (xiv))
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with director. (Clause 3 (xv))
16. According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. (Clause 3 (xvi))

For, PANDHARE AND COMPANY
CHARTERED ACCOUNTANTS



S. B. Pandhare
Partner, M. No: 016834
FRN: 107292W
UDIN:21016834AAAABK9186

Date:22.05.2021
Place: Solapur



BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2021

(Rupees)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
1. Non - current assets			
a. Property, plant and equipment	2	2,00,29,97,712	2,11,32,60,801
b. Capital work - in -progress	3	0	0
c. Investment Property		0	0
d. Goodwill		0	0
e. Other Intangible assets		0	0
f. Intangible assets under development		0	0
g. Biological Assets other than bearer plants		0	0
h. Financial Assets		0	0
(i) Investments		0	0
(ii) Trade Receivables		0	0
(iii) Loans		0	0
(iv) Others (to be specified)	4	70,53,097	55,37,573
i. Deferred tax assets (net)	5	1,42,38,477	6,26,34,586
j. Other non-current assets	6	1,47,56,309	1,58,44,153
Total Non - current assets		2,03,90,45,595	2,19,72,77,113
2. Current assets			
(a) Inventories	7	14,01,22,564	16,62,32,431
(b) Financial Assets			
(i) Investments		0	0
(ii) Trade Receivables	8	43,17,18,940	33,56,27,054
(iii) Cash and cash equivalents	9	1,95,52,678	1,47,43,730
(iv) Bank balances other than (iii) above	10	3,23,150	7,39,726
(v) Loans		0	0
(vi) Others (to be specified)		0	0
(c) Current Tax Assets (Net)		1,45,62,627	1,43,078
(d) Other current assets	11	40,10,69,775	33,04,51,788
(e) Assets held for sale / assets included in disposal group / groups held for sale		0	0
Total Current assets		1,00,73,49,734	84,79,37,807
Total Assets		3,04,63,95,329	3,04,52,14,920




BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2021

(Rupees)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	12	40,00,00,000	40,00,00,000
(b) Other Equity			
(i) Reserves and surplus	13	40,23,53,639	28,45,07,806
Share Application Money Pending for allotment			0
Total Equity		80,23,53,639	68,45,07,806
LIABILITIES			
1. Non - current liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	1,66,19,66,618	1,66,25,61,323
(ii) Trade payables	15	5,38,59,146	8,59,70,482
(iii) Other financial liabilities (other than those specified in item (b), to be specified)		0	0
(b) Provisions		0	0
(c) Deferred tax liabilities (Net)		0	0
(d) Other non-current liabilities	16	0	2,57,07,273
Total Non - current liabilities		1,71,58,25,764	1,77,42,39,078
2. Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	10,94,51,509	19,11,47,394
(ii) Trade payables	18	13,21,56,130	20,14,51,244
(iii) Other financial liabilities (other than those specified in item (c))	19	27,62,36,498	18,92,19,186
(b) Other current liabilities	20	1,77,055	6,14,490
(c) Provisions	21	1,01,94,734	40,35,722
(d) Current Tax Liabilities (Net)		0	0
(e) Liability classified as held for sale / liability included in disposal group / groups held for sale		0	0
Total Current liabilities		52,82,15,926	58,64,68,036
Total Liabilities		2,24,40,41,690	2,36,07,07,114
Total Equity and Liabilities		3,04,63,95,329	3,04,52,14,920
Significant Accounting Policies and other disclosures	1		

As per our report on even date

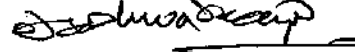
For Pandhare & Co.,
Chartered Accountants,
FRN 107292W


(C.A.S.B. Pandhare)
Partner

M No.016834
Date : 22.05.2021
Place : Solapur




For Balaji Speciality Chemicals Pvt.Ltd.



N. Rajeshwar Reddy
Managing Director
DIN: 00003854

UDIN:21016834AAAABK9186


O. Ram Reddy
Director
DIN: 00003864



BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2021

(Rupees)

Particulars	Note No.	For the Period ended March 31, 2021	For the Period ended March 31, 2020
I Revenue from operations	22	1,80,50,42,336	53,89,20,344
II Other income	23	81,76,235	20,60,977
III Net Gain on derecognition of financial assets at amortized cost		0	0
IV Net Gain on reclassification of financial assets		0	0
V Total Revenue (I+II+III+IV)		1,81,32,18,571	54,09,81,321
VI EXPENSES			
Cost of Material Consumed	24	1,00,28,05,675	52,97,53,187
Changes in inventories of finished goods and work-in-progress	25	4,11,16,481	-13,13,82,445
Employee benefits expense	26	2,14,86,886	1,36,79,706
Finance costs	27	19,00,14,228	15,56,29,109
Depreciation and amortization expense	2	11,06,79,604	7,44,15,887
Other expenses	28	28,08,73,754	11,76,88,935
Total Expenses (VI)		1,64,69,76,629	75,97,84,379
VII Profit/(loss) before exceptional items and tax (V - VI)		16,62,41,942	-21,88,03,058
VIII Exceptional items		0	0
IX Profit/(loss) before tax (VII - VIII)		16,62,41,942	-21,88,03,058
X Tax Expenses:			
1. Current Tax (Including Minimum Alternate Tax)		0	0
2. Deferred Tax	29	4,83,96,109	-6,26,27,067
3. Adjustments of earlier year tax provisions		0	-6,50,000
XI Profit/(Loss) for the period from continuing operations (IX - X)		11,78,45,833	-15,55,25,991
XII Profit/(loss) from discontinued operations		0	0
XIII Tax expense of discontinued operations		0	0
XIV Profit/(loss) from discontinued operations (after tax) (XII - XIII)		0	0
XV Profit/(Loss) for the period (XI + XIV)		11,78,45,833	-15,55,25,991
XVI Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		0	0
(ii) Income tax relating to items that will not be reclassified to profit or loss		0	0
B (i) Items that will be reclassified to profit or loss		0	0
(ii) Income tax relating to items that will be reclassified to profit or loss		0	0
XVII Total Comprehensive Income for the period (XV + XVI) (Comprising Profit/(Loss) and other Comprehensive Income for the period)		11,78,45,833	-15,55,25,991



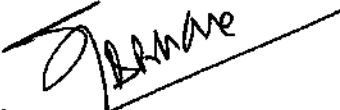
BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2021

(Rupees)

Particulars	Note No.	For the Period ended March 31, 2021	For the Period ended March 31, 2020
XVIII Earning per equity share (for continuing operation):			
(1) Basic		2.95	-3.89
(2) Diluted		2.95	-3.89
XIX Earning per equity share (for discontinued operation):			
(1) Basic		2.95	-3.89
(2) Diluted		2.95	-3.89
XX Earning per equity share (for discontinued & continuing operations)			
(1) Basic		2.95	-3.89
(2) Diluted		2.95	-3.89
Significant Accounting Policies and other disclosures	1		

As per our report on even date

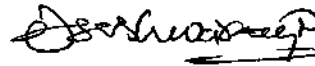
For Pandhare & Co.,
Chartered Accountants,
FRN 107292W


(CA S.B. Pandhare)
Partner

Membership No.016834
Date : 22.05.2021
Place : Solapur



For Balaji Speciality Chemicals Pvt.Ltd.



N.Rajeshwar Reddy
Managing Director
DIN: 00003854

UDIN:21016834AAAABK9186


D. Ram Reddy
Director
DIN: 00003864



BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

	(Rupees)	
Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
A. Cash Flow from Operating Activities		
Profit before Interest and Tax	35,62,56,170	-6,31,73,949
Depreciation	11,06,79,604	7,44,15,887
Less : Other Income considered separately	-81,76,235	-20,60,977
Net	45,87,59,539	91,80,961
Increase (-)/ Decrease (+) in Inventories	2,61,09,867	3,91,32,331
Increase (-)/ Decrease (+) in Trade Receivables	-9,60,91,886	-33,56,27,054
Increase (-)/ Decrease (+) in Other Current Assets	-8,50,37,536	-1,69,470
Increase (+)/ Decrease (-) in Current Liabilities	-14,91,59,696	25,27,57,401
Income Taxes Paid (Net of Refund)	0	6,50,000
Total A. Cash Flow from Operating Activities	15,45,80,288	-3,40,75,831
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	-4,16,515	-10,16,77,352
Increase (-)/ Decrease (+) in Other Financial Assets	0	0
Increase (-)/ Decrease (+) in Non Current Assets	-4,27,680	66,06,192
Other Income	81,76,235	20,60,977
Total B. Cash Flow from Investing Activities	73,32,040	-9,30,10,183
C. Cash Flow from Financial Activities		
Proceeds from Non-Current Borrowings	31,00,00,000	67,69,00,000
Repayments of Non-Current Borrowings	-21,96,87,119	-36,12,86,093
Interest paid	-19,00,14,228	-15,56,29,109
Increase (+)/ Decrease (-) in Non Current Liabilities	-5,78,18,609	-1,77,97,329
Total C. Cash Flow from Financial Activities	-15,75,19,956	14,21,87,469
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	43,92,372	1,51,01,455
Cash and Cash Equivalents at the Beginning of the Year	1,54,83,456	3,82,001
Cash and Cash Equivalents at the End of the Year	1,98,75,828	1,54,83,456
Increase / (Decrease) in Cash and Cash Equivalents (closing minus opening balances)	43,92,372	1,51,01,455

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

(CA S.B. Pandhare)
Partner
MNo.016834
Date : 22.05.2021
Place : Solapur



For Balaji Speciality Chemicals Pvt.Ltd.

N.Rajeshwar Reddy
Managing Director
DIN: 00003854

D. Ram Reddy
Director
DIN: 00003864



BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED
 Note 2 : Tangible Assets

Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 31.03.2020	Additions	Deletion	As at 31.03.2021	For the Period	Deletion	As at 31.03.2021	As at 31.03.2020
Land								
LEASEHOLD LAND (MIDC)	84,34,440	0	0	84,34,440	96,950	0	1,93,900	83,37,490
INTERNAL ROADS	36,21,670	0	0	36,21,670	3,44,059	0	6,17,413	33,48,316
LAND & SITE DEVELOPMENT	18,67,218	0	0	18,67,218	0	0	0	18,67,218
Total	1,39,23,328	0	0	1,39,23,328	4,41,009	0	8,11,313	1,35,53,024
Buildings								
BUILDING - ETHYLENEDIAMINE	27,69,20,833	0	0	27,69,20,833	87,69,160	0	1,57,34,166	26,11,86,668
FACTORY BUILDINGS	1,09,28,798	0	0	1,09,28,798	3,46,079	0	6,21,045	1,06,53,831
Total	28,78,49,631	0	0	28,78,49,631	91,15,238	0	1,63,55,211	28,06,09,658
Plant & Machinery								
PLANT & MACHINERY - BOILER	19,65,45,851	0	0	19,65,45,851	74,68,742	0	1,34,02,811	19,05,11,782
PLANT & MACHINERY - ETHYLENEDIAMINE	125,95,39,564	3,49,100	0	1,25,98,88,664	5,72,69,087	0	10,26,34,386	1,15,72,54,278
WEIGH BRIDGE	10,67,095	0	0	10,67,095	40,550	0	70,753	10,36,892
FIRE HYDRANT SYSTEM	36,78,156	0	0	36,78,156	1,39,770	0	2,50,083	35,67,843
PURCHASE IMPORT - ETHYLENEDIAMINE CATALYST	36,77,08,671	0	0	36,77,08,671	3,37,46,562	0	4,71,80,495	35,43,74,738
ELECTROSTATIC (ESP) PRECIPITATOR	1,35,25,139	0	0	1,35,25,139	5,13,955	0	9,22,303	1,31,16,791
Total	184,20,64,475	3,49,100	0	1,84,24,13,575	9,94,78,666	0	16,44,60,831	1,77,67,82,310
FURNITURES & FIXTURES								
FURNITURES & FIXTURES	9,02,179	0	0	9,02,179	85,707	0	1,53,635	8,34,251
AIR CONDITIONER	66,872	0	0	66,872	12,706	0	22,801	56,777
Total	9,69,051	0	0	9,69,051	98,413	0	1,76,436	8,91,028
Office Equipment								
OFFICE EQUIPMENTS	1,92,541	0	0	1,92,541	29,039	0	65,622	1,63,502
COMPUTER	3,66,212	67,415	0	4,33,627	90,963	0	2,15,347	2,18,279
Total	5,58,753	67,415	0	6,26,168	1,20,002	0	2,80,969	4,38,751
Others								
SAFETY EQUIPMENT	5,62,305	0	0	5,62,305	53,419	0	93,651	5,22,073
EFFLUENT TREATMENT EQUIPMENTS	4,16,41,896	0	0	4,16,41,896	15,82,392	0	28,18,080	4,04,06,208
RIGHT OF USE LEASEHOLD OFFICE PREMISES	1,07,250	0	0	1,07,250	49,500	0	99,000	57,750
Total	4,23,11,450	0	0	4,23,11,450	16,85,311	0	30,10,731	4,09,86,090
Grand Total	2,18,76,76,688	4,16,515	0	2,18,80,93,203	7,44,15,887	0	18,50,95,491	2,11,32,60,801



BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED
Notes forming part of the Financial Statements

(Rupees)

Particulars	As at March 31, 2021	As at March 31, 2020
Note 3 : Capital work in progress		
EDA Project - at the beginning of the year	0	2,08,59,99,336
Expenditure incurred during the year	0	8,58,29,468
Less: Capitalised / Put to use during the year	0	2,17,18,28,804
Less : Transferred to Lease hold Land	0	0
Total	0	0
Note 4 : Others		
Balance with Scheduled Banks		
In Margin money deposits (towards margin bank guarantees issued by banks.)	70,53,097	55,37,573
Total	70,53,097	55,37,573
Note 5 : Deferred tax assets (net)		
Deferred tax assets :		
Business loss & Unabsorbed depreciation carry forward	21,07,75,203	22,32,94,530
MAT Credit Entitlement Receivable	7,519	7,519
Total Deferred tax assets	21,07,82,722	22,33,02,049
Deferred tax liabilities :		
WDV of Fixed Assets	19,65,44,245	16,06,67,463
Total Deferred tax liabilities	19,65,44,245	16,06,67,463
Total	1,42,38,477	6,26,34,586
Note 6 : Other non-current assets		
Capital Advances		
Advances to Related Parties	0	0
Preliminary Exps.	32,63,534	43,51,378
Deposit with Government Departments	0	0
Others-Security Deposits	1,14,92,775	1,14,92,775
Total	1,47,56,309	1,58,44,153
Note 7 : Inventories		
[As verified, valued and certified by the Management]		
Raw Material	1,52,34,510	1,14,08,732
Work-in-Process	0	2,25,84,995
Finished Goods	9,02,65,964	10,87,97,450
Goods-in-transit / at Bonded Warehouse	1,37,96,544	58,15,460
Stores, Spares	65,50,492	65,55,021
Packing Materials	87,00,318	24,37,724
Fuel & Others etc.	55,74,736	86,33,049
Total	14,01,22,564	16,62,32,431
Inventories Pledged as security is same as the Closing Stock of Inventories		



Particulars	As at March 31, 2021	As at March 31, 2020
Note 8 : Trade Receivables (Unsecured and considered good)		
- From Related Parties	0	0
- From Others	43,17,18,940	33,56,27,054
Total	43,17,18,940	33,56,27,054
Note 9 : Cash and cash equivalents		
Cash in hand	10,009	4,058
Balance with Scheduled Banks In Current Accounts	1,95,42,669	1,47,39,672
Total	1,95,52,678	1,47,43,730
Note 10 : Bank balance other than above Balance with Scheduled Banks In Margin money deposits (towards margin bank guarantees issued by banks.)	3,23,150	7,39,726
Total	3,23,150	7,39,726
Note 11 : Other current assets		
Balance with Revenue Authorities	28,81,13,668	32,90,38,868
Advances to Suppliers other than Capital Advances	10,74,20,459	62,471
Advances to Related Parties	0	0
Others - Short Term Loans & Advances	55,35,648	13,50,449
Total	40,10,69,775	33,04,51,788
Note 12 : Equity share capital		
a. Authorised 4,50,00,000 Equity Shares of Rupees 10/- each	45,00,00,000	45,00,00,000
Total	45,00,00,000	45,00,00,000
b. Issued, subscribed & paid up 40,00,00,000 Equity Shares of Rs. 10/- each fully paid up	40,00,00,000	40,00,00,000
Total	40,00,00,000	40,00,00,000
c. Par value of shares	10/-	10/-
d. Number of shares outstanding at beginning of the year	4,00,00,000	4,00,00,000
Changes during the year	0	0
Number of shares outstanding at end of the year	4,00,00,000	4,00,00,000
Note 13 : Other Equity - Reserves and Surplus		
A) Share Premium Account	44,00,00,000	44,00,00,000
Total A	44,00,00,000	44,00,00,000
B) General Reserve		
At the beginning of the year	0	0
Add : Transfer from statement of Profit and Loss	0	0
Total B	0	0
C) Balance in Statement of Profit and Loss brought forward from previous year	-15,54,92,194	39,080
Add : Profit for the year	11,78,45,833	-15,55,25,991
Less : Transitional Provision Effect of Ind AS116 for Right Of Use Leasehold Office Premises & Lease Liability On Leasehold Office Balaji Amines	0	-5,283
Balance in Statement of Profit & Loss at the end of year Total C	-3,76,46,361	-15,54,92,194
Total other equity (A + B + C)	40,23,53,639	28,45,07,806



Particulars	As at March 31, 2021	As at March 31, 2020
Note 14 : Borrowings (Refer Annexure to Note 13 for the details)		
1. Secured		
Term loans		
(i) HDFC Bank Ltd	61,36,36,355	81,06,06,061
(ii) Bank of Baroda	23,48,53,415	34,84,78,415
2. Unsecured		
(a) Term Loan		
From Banks	0	0
From Other Parties		
(i) Balaji Amines Limited	77,34,76,847	46,34,76,847
(ii) A. Prathap Reddy	4,00,00,001	4,00,00,000
Total	1,66,19,66,618	1,66,25,61,323
Note 15 : Trade payables		
Creditors for MSME	0	0
Creditors Other than MSME	5,38,59,146	8,59,70,482
Total	5,38,59,146	8,59,70,482
Note 16 : Other non-current liabilities		
Deferred Revenue Export Benefits	0	2,57,07,273
Total	0	2,57,07,273

Deferred Revenue Export Benefits

Deferred revenue includes Rs NIL as at March 31, 2021 (Rs 2.57 crores as at March 31, 2020) grants relating to plant and equipment related to duty saved on import of capital goods and spares under the Export Promotion Capital Goods (EPCG) scheme. Under such scheme, the Company is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the regulatory authorities.

Note 17: Borrowings (Refer Annexure to Note 16 for the details)		
a. Secured		
Towards working capital - Repayable on demand		
(i) HDFC Bank	10,94,51,509	19,11,47,394
Total	10,94,51,509	19,11,47,394
Note 18 : Trade payables		
Creditors for Raw Materials	2,72,83,468	2,73,05,650
Others - Balaji Amines Ltd.	9,86,30,844	16,97,24,084
Creditors for MSME	54,42,154	44,21,510
Advances from Customers	7,99,664	0
Total	13,21,56,130	20,14,51,244



Particulars	As at March 31, 2021	As at March 31, 2020
Note 19 : Other financial liabilities		
(a) Current maturities of long term debt from banks payable within twelve months	27,27,18,192	18,18,10,606
(b) Current maturities of finance lease obligations		0
(c) Interest accrued but not due on borrowings	35,18,306	74,08,580
(d) Interest accrued and due on borrowings	0	0
(e) Income received in advance	0	0
(f) Unpaid dividends	0	0
(g) Application money received for allotment of securities and due for refund and interest accrued thereon	0	0
(h) Unpaid matured deposits and interest accrued thereon	0	0
(i) Unpaid matured debentures and interest accrued thereon	0	0
(j) Other payables	0	0
Total	27,62,36,498	18,92,19,186
Note 20 : Other current liabilities		
(a) Statutory remittances:		
Tax Deducted at Source (TDS) Payable	1,10,217	5,85,997
Tax Collected at Source (TCS) Payable	34,695	0
Professional Tax	17,275	13,625
(b) Other payables	14,868	14,868
Total	1,77,055	6,14,490
Note 21 : Provisions		
(a) Provision for employee benefits:		
Salaries	13,93,894	12,36,479
Provident Fund	2,92,388	2,46,713
Employees State Insurance	48,668	47,163
(b) Provision – Others		
Others	84,59,784	25,05,367
Total	1,01,94,734	40,35,722



BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED
Notes forming part of the Financial Statements

(Rupees)

Particulars	For the Period ended March 31, 2021	For the Period ended March 31, 2020
Note 22 : Revenue From Operations		
Sale of Speciality Chemicals (including Export Benefits) Net of Sales	1,80,50,42,336	53,89,20,344
Return	0	0
Sale of Raw Materials		
Total Revenue from operations (Net)	1,80,50,42,336	53,89,20,344
Note 23 : Other Income		
Interest on Security Deposit	5,15,878	10,33,030
Notice Pay	13,663	52,493
Interest on FDR	4,06,007	3,97,783
Miscellaneous Income	359	45,851
Written Off Account	72,40,328	5,31,820
Total	81,76,235	20,60,977
Note 24 : Cost of material consumed		
Opening Stock	1,14,08,732	18,08,63,595
Add: Purchases		
Raw Material - Domestic	80,07,31,860	36,60,10,313
Raw Material - Imports CIF Value	20,58,99,594	13,47,371
Sub- Total	1,01,80,40,186	54,82,21,279
Less : EDA capitalized	0	70,59,360
Sub- Total	1,01,80,40,186	54,11,61,919
Less : Closing Stock	1,52,34,510	1,14,08,732
Total	1,00,28,05,676	52,97,53,187
Net Total	1,00,28,05,676	52,97,53,187
Note 25 : Changes in Inventories of Finished Goods & Work in Process		
(a) Opening Stock		
Finished Goods	10,87,97,450	0
Work-in -process	2,25,84,995	0
Sub- Total (a)	13,13,82,445	0
(b) Closing Stock		
Finished Goods	9,02,65,964	10,87,97,450
Work-in -process	0	2,25,84,995
Sub- Total (b)	9,02,65,964	13,13,82,445
Difference of (a) and (b) Increase (-) / Decrease(+)	4,11,16,481	-13,13,82,445
Note 26 : Employee benefits		
Salaries,Wages and other allowances	1,77,81,141	1,21,85,420
Bonus	0	0
Lockdown Incentive Reward	5,79,661	0
Premium towards Gratuity Scheme of LIC	7,77,946	0
Contribution to Provident Fund	12,60,365	9,25,300
Contribution to Employees State Insurance	3,96,236	3,36,331
Contribution to Labour Welfare Fund	11,436	3,888
Staff Welfare Expenses	6,44,025	2,28,767
Group Insurance Premium	36,076	0
Total	2,14,86,886	1,36,79,706



Notes forming part of the Financial Statements

(Rupees)

Particulars	For the Period ended March 31, 2021	For the Period ended March 31, 2020
Note 27 : Finance Cost		
Interest on Working Capital Borrowings	55,58,114	1,05,59,321
Interest on Term loan	17,97,73,108	13,90,85,528
Processing Charges	27,08,938	57,95,179
Interest Cost On Leases As Per Ind AS116	5,969	10,634
Bank Charges	19,68,099	1,78,447
Total	19,00,14,228	15,56,29,109
Note 28: Other Expenses		
a) Manufacturing Expenses		
i) Power and Fuel	16,11,26,871	8,02,12,401
ii) Stores, Spares Consumed	60,36,785	5,32,625
iii) Repairs & Maintenance - Plant & Machinery	20,96,860	2,88,737
iv) Repairs & Maintenance - Building & Other	67,023	3,610
b) Selling & Distribution Expenses		
i) Advertisement, Publicity & Sales Promotion	93,27,312	41,23,965
ii) Discount on Sales	2,52,71,969	1,14,755
iii) Outward Freight	4,56,52,175	1,13,40,073
iv) Packing & Forwarding	1,80,56,380	64,44,452
v) Other Selling & Distribution	1,89,593	1,14,716
c) Administrative & General Expenses		
i) Rent	0	0
ii) Rates & Taxes	92,17,620	36,07,297
iii) Repairs & Maintenance - Office Equipments	22,238	0
iv) Remuneration to Directors	0	0
v) Auditors Remuneration	0	0
a) Audit Fees	3,82,500	2,00,000
b) Tax Audit Fees	67,500	0
c) Other Matters (Certification etc.)	0	0
vi) Premium in Respect of "Employer - Employee Policy" including whole time Directors	0	0
vii) Other Expenses	41,40,157	21,95,723
viii) Preliminary Expenses written off	10,87,844	10,87,844
d) Insurance		
i) Plant & Machinery & Building	26,87,007	0
ii) Raw Material & Finished Goods	19,42,587	9,25,374
iii) Public Liability Act	74,147	0
e) Foreign Exchange Fluctuations (Gain) / Loss	-55,72,814	64,97,363
Total	28,08,73,754	11,76,88,935
Note 29 : Deferred Tax		
Deferred tax assets :		
Business loss & Unabsorbed depreciation carry forward		
Opening Balance	-22,32,94,530	0
Closing Balance	-21,07,75,203	-22,32,94,530
Recognised in Profit & Loss Account (A1)	1,25,19,327	-22,32,94,530
 MAT Credit Recognition		
Opening Balance	7,519	7,519
Closing Balance	7,519	7,519
Recognised in Profit & Loss Account (A2)	0	0
 Total Deferred tax assets recognised in P&L (A = A1 + A2)	1,25,19,327	-22,32,94,530
Deferred tax liabilities :		
WDV of Fixed Assets	0	0
Opening Balance	16,06,67,463	0
Closing Balance	19,65,44,245	16,06,67,463
Recognised in Profit & Loss Account (B)	3,58,76,782	16,06,67,463
 Total Deferred tax liabilities recognised in P&L (A - B)	3,58,76,782	16,06,67,463
Total	4,83,96,109	-6,26,27,067



BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED										
Annexure to Note 13: Borrowings - Long Term Loan Details										
Name of Financial Institution	Amount of Loan	Rate of Interest	Tenure of Loan (Months)	Date of Maturity	Classification of Loan	Nature of Security	Terms of Repayment	Whether Demand Loan?	Whether loan is default?	Personal Guarantee by Directors / Others
Bank of Baroda - Term Loan - 253460000589	49,99,78,413	9.45%	66	31/03/2025	Secured	1. 1st pari passu charge with HDFC bank on entire fixed asset, land and building and plant & machinery (present & future) located at Plot no. E-8/1, MIDC Chincholi Solapur of the company created / to be created out of the proposed project outlay of Rs. 163.50 Cr. 2. 2nd pari passu charge with HDFC Bank of entire current assets of the company (both present & future), Personal Guarantee of Mr. A. Prathap Reddy, Mr. N. Rajeshwar Reddy, Mr. D. Ram Reddy, Mr. G. Hemant 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 - 0071N06172820001	50,00,00,000	8.55%	66	09/03/2025	Secured	1. First pari passu charge on fixed asset, land and building and plant & machinery located at Plot no. E-8/1, MIDC Chincholi Solapur 2. Personal Guarantee of Mr. A. Prathap Reddy, Mr. N. Rajeshwar Reddy, Mr. D. Ram Reddy, Mr. G. Hemant Reddy, Mr. A. Srinivas Reddy (Post generation of positive cash flow in Balaji Speciality Chemicals Pvt. Ltd. Personal Guarantee clause as part of Security would be relooked upon) 3. Corporate Guarantee of M/s. Balaji Amines Limited (company to ensure compliance of applicable provisions of the Companies Act, 2013). 4. Second pari passu charge on current assets of the Company.	Monthly	Yes	No	Yes
HDFC Bank Ltd. - Term Loan - 0071N06193340003	50,00,00,000	8.40%	66	30/05/2026	Secured		Monthly	Yes	No	Yes
Term loan from other parties										
Name of Financial Institution	Amount of Loan	Rate of Interest	Tenure of Loan (Months)	Date of Maturity	Classification of Loan	Nature of Security	Terms of Repayment	Whether Demand Loan?	Whether loan is default?	Personal Guarantee by Directors / Others
Balaji Amines Ltd - Parent Company	77,34,76,847	7.50%	36	28/09/2021	Unsecured		Not Defined	No	No	No
Ande Prathap Reddy	4,00,00,001	7.00%	Not Defined	NA	Unsecured		Not Defined	No	No	No



BALUJ SPECIALITY CHEMICALS PRIVATE LIMITED										
Annexure to Note 16: Borrowings - Current Liabilities										
Name of Financial Institution	Amount of Loan	Rate of Interest	Tenure of Loan (Months)	Date of Maturity	Classification of Loan	Nature of Security	Terms of Repayment	Whether Demand Loan?	Whether loan is default?	Personal Guarantee by Directors / Others
HDFC BANK LTD./C/ NO.281301300000018	94,51,509	8.35%	On Demand	NA	Secured	Primary Security: • Current Assets - First Pari Passu charge on current asset of company along with Bank of Baroda • Personal Guarantee - Personal Guarantee of Mr. A Prathap Reddy, Mr. N Rajeshwar Reddy, Mr. D Ram Reddy, Mr. G Harmanth Reddy and Mr. A Srinivas Reddy. (Post Generation of positive cash flow in M/s Balaji Speciality Chemicals Pvt Ltd personal clause as part of security would be looked upon) • Corporate Guarantee - Corporate Guarantee of M/s Balaji Arnikes Ltd Secondary Security: • Immovable Fixed assets - First Pari Passu charge on fixed asset, land and building located at Plot No E-8/A MIDC Chincholi Solapur • Movable Fixed assets - First Pari Passu charge on plant & Machinery (Present & Future) located at Plot No E-8/1 MIDC Chincholi Solapur	NA	Yes	No	Yes
HDFC BANK LTD. WCDL A/C NO. 007LN01210850007	10,00,00,000	7.00%	3	03/05/2021	Secured	Secondary Security: • Immovable Fixed assets - First Pari Passu charge on fixed asset, land and building located at Plot No E-8/A MIDC Chincholi Solapur • Movable Fixed assets - First Pari Passu charge on plant & Machinery (Present & Future) located at Plot No E-8/1 MIDC Chincholi Solapur	on Maturity	Yes	No	Yes



BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED

NOTES TO ACCOUNTS:

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2021

NOTE (A) :

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

NOTE (B) :

Instruments entirely equity in nature

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

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

NIL

NOTE (C) :

Shares in respect of each class in the company

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

NOTE (D) :

Par value of shares

Rs. 10

NOTE (E) :

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

Details of shareholders holding more than 5% shares of the company for the year ended 31.03.2021 & 31.03.2020

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



NOTE (F) :

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

NOTE (G) :

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

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

Particulars	Rs.
1. Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.	NIL
2. Aggregate number and class of shares allotted as fully paid up by way of bonus shares	NIL
3. Aggregate number and class of shares bought back	NIL
Terms of any securities convertible into equity/preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date	NIL
Calls unpaid	NIL
Forfeited shares	NIL

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

Particulars	As on March 31, 2021	As on March 31, 2020
1. Capital Reserves	NIL	NIL
2. Capital Redemption Reserve	NIL	NIL
3. Debenture Redemption Reserve	NIL	NIL
4. Share Options Outstanding Account	NIL	NIL
5. Security Premium Account	44,00,00,000	44,00,00,000
6. Profit and Loss Account	-3,76,46,361	-15,54,86,911
7. Transitional Provision of Ind AS 116	0.00	-5,283.00



NOTE (J) :**Related party transactions**

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

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

b) Key Management personnel compensation

(Rupees)

Particulars	2020-21	2019-20
Short-term employee benefits	0	0
Post-Employment benefits	0	0
Long-Term employee benefits	0	0
Termination benefits	0	0
Employee shared based payments	0	0
Total compensation	0	0

c) Transactions with related parties

(Rupees)

Particulars	2020-21	2019-20	Relationship
Balaji Amines Limited.			
Purchase of Goods & Services	79,88,20,135	39,58,41,225	Holding Company
Sale of Goods & Services	16,94,65,940	4,07,70,546	Holding Company
Lease Rent of Office	60,000	70,800	Holding Company
Interest Charged	6,04,38,446	5,39,07,718	Holding Company
Loan accepted in the year	31,00,00,000	1,43,69,00,000	Holding Company
Loan Repayment in the year	0	1,30,00,00,000	Holding Company
MVL Medisynth Pvt. Ltd.			
Purchase of Goods & Services	0	43,82,697	Co where relatives of KMP are interested
Sale of Goods & Services	0	23,90,562	Co where relatives of KMP are interested

d) Outstanding balances

(Rupees)

Particulars	31 March 2021	31 March 2020	Relationship
Balaji Amines Limited.			
Equity Share capital	22,00,00,000	22,00,00,000	Holding Company
Trade payables	9,86,30,844	16,97,24,084	Holding Company

e) Loans from related parties

(Rupees)

Particulars	2020-21	2019-20	Relationship
Balaji Amines Limited.	0	0	Holding Company
Beginning of the year	46,34,76,847	32,65,76,847	
Loans advanced	31,00,00,000	1,43,69,00,000	
Loan repayment received	0	1,30,00,00,000	
Interest charged	6,04,38,446	5,39,07,718	
Interest received	0	0	
End of the year	77,34,76,847	46,34,76,847	
Ande Prathap Reddy			Key Management Personnel (KMP)
Beginning of the year	4,00,00,001	0	
Loans advanced	0	4,00,00,000	
Loan repayment received	0	0	
Interest charged	30,92,605	22,93,215	
Interest received	0	0	
End of the year	4,00,00,001	4,00,00,000	



BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED
Disclosures under Accounting Standards

NOTE (K)

Details of government grants/ subsidy

Sr. No.	Particulars	March 31, 2021	March 31, 2020
1	Benefit under EPGC Scheme	2,95,20,741	24,48,327
2	Export Benefit under Duty Draw Back (DBK) Scheme	5,12,406	16,786
3	Benefit under MEI Scheme	2,22,652	0
4	Benefit under under Advanve Licence	1,35,71,863	0

NOTE (L)

Details of borrowing costs capitalised

Sr. No.	Particulars	March 31, 2021	March 31, 2020
1	Borrowing costs capitalised during the year		
	- as fixed assets / intangible assets / capital work-in-progress	0	0
	- as inventory	0	0

NOTE (M)

Details of leasing arrangements

The Company has entered into operating lease arrangements with MIDC . The lease

A is for a period of 95 years from 01.12.2011 .

Sr. No.	Particulars	March 31, 2021	March 31, 2020
1	Future minimum lease payments		
	- not later than one year	1	1
	- later than one year and not later than five years	4	4
	- later than five years	80	81

NOTE (N)

Details of Provisions

Sr. No.	Particulars	March 31, 2021	March 31, 2020
a.	Provision for onerous contracts	NIL	NIL
b.	Provision for executory contracts	NIL	NIL
c.	Provision for restructuring cost	NIL	NIL

NOTE (O)

Details of Contingent Assets

Sr. No.	Particulars	March 31, 2021	March 31, 2020
a.	Contingent Assets	NIL	NIL



NOTE (P)

CONTINGENT LIABILITIES AND COMMITMENT

Contingent liabilities

Sr. No.	Particulars	March 31, 2021	March 31, 2020
1	Claims against the company not Acknowledged as debt	NIL	NIL
2	Guarantee	NIL	NIL
3	Other Money for which company is contingently liable	NIL	NIL

NOTE (Q)

Commitments

Sr. No.	Particulars	March 31, 2021	March 31, 2020
1	Estimated amount of contracts remaining to be executed on capital account and not provided for	NIL	NIL
2	Uncalled liability on shares and other investments partly paid	NIL	NIL
3	Other commitments (specify nature)	NIL	NIL

NOTE (R)

Inventories

Inventory includes raw materials, Stores and Spares and packing materials

Sr. No.	Particulars	March 31, 2021	March 31, 2020
1	Total carrying amount of inventories	14,01,22,564	16,62,32,431
2	Cost formula	FIFO	FIFO
3	Amount of inventories recognised as an expense during the period;	NIL	NIL
4	The amount of any write-down of inventories recognised as an expense	NIL	NIL
5	Carrying amount of inventories pledged as security for liabilities	14,01,22,564	16,62,32,431

NOTE (S)

Payment to Auditor

Sr. No.	Particulars	March 31, 2021	March 31, 2020
1	As auditors - statutory and tax audit	3,82,500	2,00,000
2	For taxation matters, company law matter	67,500	0
3	Management services, other services, reimbursement	0	0



NOTE (T)

- Current Tax is provided for in accordance with and the rate stipulated by Income Tax Act, 1961.
- Deferred Tax is provided to recognize the tax liability arising out of timing differences between taxable and book profit.
- Minimum Alternative Tax (MAT) Credit Entitlement of earlier years is recognized in the books of accounts, when there is convincing evidence that, company will pay normal income tax liability during the specified period. The entitlement shall be reviewed at each Balance Sheet date w.r.t. correctness of carrying amount.
- For the year ended 31.03.2021, in a view of Brought Forward Losses, Depreciation Allowance and Current Year's Depreciation, no income tax is payable under regular provisions of Income Tax Act, 1961. In respect of MAT Payable u/s. 115JB of the Income Tax Act, 1961, company has not made the provision for tax of Rs. 1.53 Crores in the books relying on the judicial precedent of Hon. Karnataka High court case of Best Trading and Agencies Ltd., 119 taxmann.com 129. Non provision in the books does not have any effect on profit and loss account.

NOTE (U)

Delayed Payments to Micro and Small Enterprises as per Sec 22 of MSMED Act, 2006

Sr. No.	Particulars	March 31, 2021	March 31, 2020
1	a) Principal Amount payable as on 31.03.2021 b) Interest Amount payable as on 31.03.2021	54,42,154 0	44,21,510 0
2	Payment made to the supplier beyond the appointed day a) Principal Amount paid in FY 2020-21 b) Interest Amount paid in FY 2020-21	0 0	0 0
3	the amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	0	0
4	The amount of interest accrued and remaining unpaid at the end of accounting year; and	0	0
5	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	0	0



NOTE (V)

Leases as per Ind AS 116

(A) Additions to right of use assets

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

Particulars	(Rupees)	
	As at March 31, 2021	As at March 31, 2020
Property, plant and equipment owned		
Right-of-use assets, except for investment property	8,250	57,750

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

Particulars	(Rupees)	
	Amount	
Balance at 1 April 2020		57,750
Depreciation charge for the year		49,500
Balance at 31 March 2021		8,250

(C) Maturity analysis of lease liabilities

Maturity analysis – contractual undiscounted cash flows	(Rupees)	
	As at March 31, 2021	As at March 31, 2020
Less than one year	10,000	60,000
One to five years		10,000
More than five years	0	0
Total undiscounted lease liabilities at 31 March 2021	10,000	70,000
Lease liabilities included in the statement of financial position at 31 March 2021	9,136	63,167
Current	9,136	63,167
Non-Current	0	0

(D) Amounts recognised in profit or loss

Particulars	(Rupees)	
	2020-21	2019-20
Interest on lease liabilities	5,969	10,634
Variable lease payments not included in the measurement of lease liabilities	0	0
Income from sub-leasing right-of-use assets	0	0
Expenses relating to short-term leases	0	0
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	0	0



BALAJI SPECIALITY CHEMICALS PVT. LTD.
YEAR ENDED MARCH 31, 2021

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

Balaji Speciality Chemicals Pvt. Ltd., is a Private Limited company. It is a subsidiary of Balaji Amines Limited ('BAL'), which is a Public Limited Company having its Registered Office at Solapur, Maharashtra, India. BAL has its primary listing on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE), in India. Balaji Speciality Chemicals Pvt. Ltd., is to set up a speciality chemical manufacturing unit with a plant capacity of 30,000 TPA. Speciality Chemicals are particularly, chemical products which provide a wide variety of effects on which many other industry sectors rely.

Compliance with Indian Accounting Standards

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

• **System of Accounting:**

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

• **Revenue recognition**

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

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



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

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

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

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

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

- **Depreciation**

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

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

- **Investments**

Investments are stated at cost of acquisition.

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

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



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

- **Leases**

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

As a lessee

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

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

- **Employee benefits:**

Short-term employee benefits

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

Post-employment benefits

The Company's contribution to Provident Fund and Employees State Insurance are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made. In respect of provision for the payment of gratuity, company has made premium to LIC. As per the written opinion from the LIC, such contribution was covered under defined contribution plans. Company does not have any legal or constructive obligation to cover any loss on the policy, further the company has no obligation to pay b



the employees and the insurer has sole responsibility for paying the benefits. The payment of fixed premiums under such contracts is, in substance, the settlement of the employee benefit obligation, rather than an investment to meet the obligation.

- **Tax expenses**

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

- **Inventories**

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

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

- **Borrowing Costs:**

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

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

- **Foreign Currency Transactions:**

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

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



- **Impairment of Assets**

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

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

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

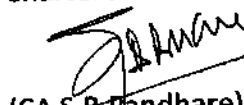
In case there are any changes in the equity during the year, EPS would be calculated on the weighted average number of shares outstanding during the period including adjustments of bonus issue, if any.

- **Provisions and contingencies**

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

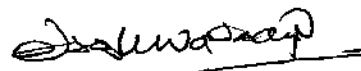
Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For Pandhare & Co.,
Chartered Accountants

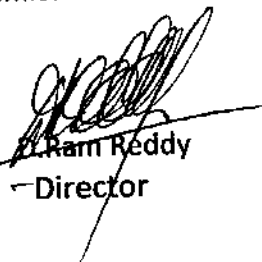

(CA S.B. Pandhare)
Partner



For Balaji Speciality Chemicals Pvt.Ltd.



N. Rajeshwar Reddy
Managing Director


P. Ram Reddy
Director