

ACCELERATING GROWTH WITH
LEADERSHIP



1726.28

Revenue (₹ crore)

339.37

EBITDA (₹ crore)

227.54

Net Profit (₹ crore)

287.00

Net Cash Flow from
Operation (₹ crore)

| | |
|-----|---|
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DISCLAIMER

A STATEMENT MADE IN THE MANAGEMENT DISCUSSION AND ANALYSIS DESCRIBING THE COMPANY'S OBJECTIVES, PROJECTIONS, ESTIMATES, AND EXPECTATIONS MAY BE 'FORWARD-LOOKING STATEMENTS' WITHIN THE MEANING OF APPLICABLE LAWS AND REGULATIONS. ACTUAL RESULTS COULD DIFFER FROM THOSE EXPRESSED OR IMPLIED. IMPORTANT FACTORS THAT COULD MAKE A DIFFERENCE TO THE COMPANY'S OPERATIONS INCLUDE ECONOMIC CONDITIONS AFFECTING DEMAND, SUPPLY, AND PRICE CONDITIONS IN THE DOMESTIC AND OVERSEAS MARKETS IN WHICH THE COMPANY OPERATES, CHANGES IN GOVERNMENT REGULATIONS, TAX LAWS, OTHER STATUTES AND OTHER INCIDENTAL FACTORS. THESE FORWARD-LOOKING STATEMENTS REPRESENT ONLY THE COMPANY'S CURRENT INTENTIONS, BELIEFS OR EXPECTATIONS, AND ANY FORWARD-LOOKING STATEMENT SPEAKS ONLY AS OF THE DATE IT WAS MADE. THE COMPANY ASSUMES NO OBLIGATION TO REVISE OR UPDATE ANY FORWARD-LOOKING STATEMENTS, WHETHER BECAUSE OF NEW INFORMATION, FUTURE EVENTS, OR OTHERWISE.



Convention has it that

before you become
a leader, success
is about growing
yourself.

When you finally attain leadership, then
success is all about growing others.

At Balaji Amines, we have **turned this
theory on its head.**

We have
patiently
worked towards
transforming
the chemical
industry. We have
strengthened the
nation's prowess
in the chemical
space.

Along the way, **we attained leadership
in our business space.**



WE ARE A **UNIQUE CHEMICAL COMPANY.**

We have worked for
over 30 years towards
an 'Atmanirbhar Bharat'
in the chemical space.





WE believe that we have something that other chemical companies never looked at as an opportunity. We refer to it as our three P moat - Passion, Persistence and Perseverance.

Passion to dive into uncharted waters. Persistence to toil hard for days, months and years to create niche solutions which no other Indian chemical company has done before.

Perseverance to make it truly competitive, which allows us to deliver value to our customers.

AS we look at our market presence a tad different from others. We count our relevance in what we do when we increase the market size rather than jostle for market share.

The market size play provides immense satisfaction. We have established our brand as a First Mover. We command a sizable market share for our products. We inspire other enterprises to venture into complex product chemistries. We are accelerating the growth of the sector with our pole position.

OUR differentiation stems from two defining philosophies.

Product ethos: We cherry-pick products not made in India and must be imported. The first-move advantage immediately positions us as the No. 1 player in a product space of one. We enjoy this distinctive position for several products.

Technology tenet: We scout for the best available technology solutions from across the world. Subsequently, we persevere patiently to indigenise the same to become self-reliant.

As of date, we are the **ONLY MANUFACTURER IN INDIA** for the following products that are import substitutes:

- Morpholine
- Dimethylformamide (DMF)
- N-Ethyl-2-Pyrrolidone (NEP)
- N-Methyl-Pyrrolidone (NMP)
- Pharmapure Povidone (PVP K30 & PVP K25)
- 2-Pyrrolidone (2-P)
- Gamma-Butyrolactone (GBL)

Between FY20-23, we sold 1,16,452 MT of these products which potentially

saved

US\$ **321.30**^{mn}

for India.

WE ARE A **FORWARD-LOOKING CHEMICAL COMPANY.**

We have forever envisioned the 'Make in India' for the Globe dream for an enterprising nation like ours.

WE think really BIG. About a tomorrow beyond tomorrow. About reversing the trend. About India not as a part of global progress. But as a key driver of it.

For us, tomorrow is about being ahead of the curve. To think of possibilities that seem improbable then. Case in point: to envisage exporting products at a time when India is importing those very products. Our tomorrow is of a new India that stands tall in the global pecking order.

WE have the stomach for risk. Risk of looking beyond convention. Risk of going the extra mile. Risk of seeking more. Risk of envisioning the world as our market.

This culture has allowed us to provide far more than required consistently. It has enabled us into continuous improvement mode, where we are happy with our success but not satisfied. Because we believe that there is always some room at the top.

Our progressive mindset is reflected in two traits.

Capacity build-up: We generally build large capacities, sometimes more than the envisaged demand. For two reasons. 1) We realise that our progressive country will grow and demand will leapfrog, and 2) We can export the same products to the globe that we used to import at some point.

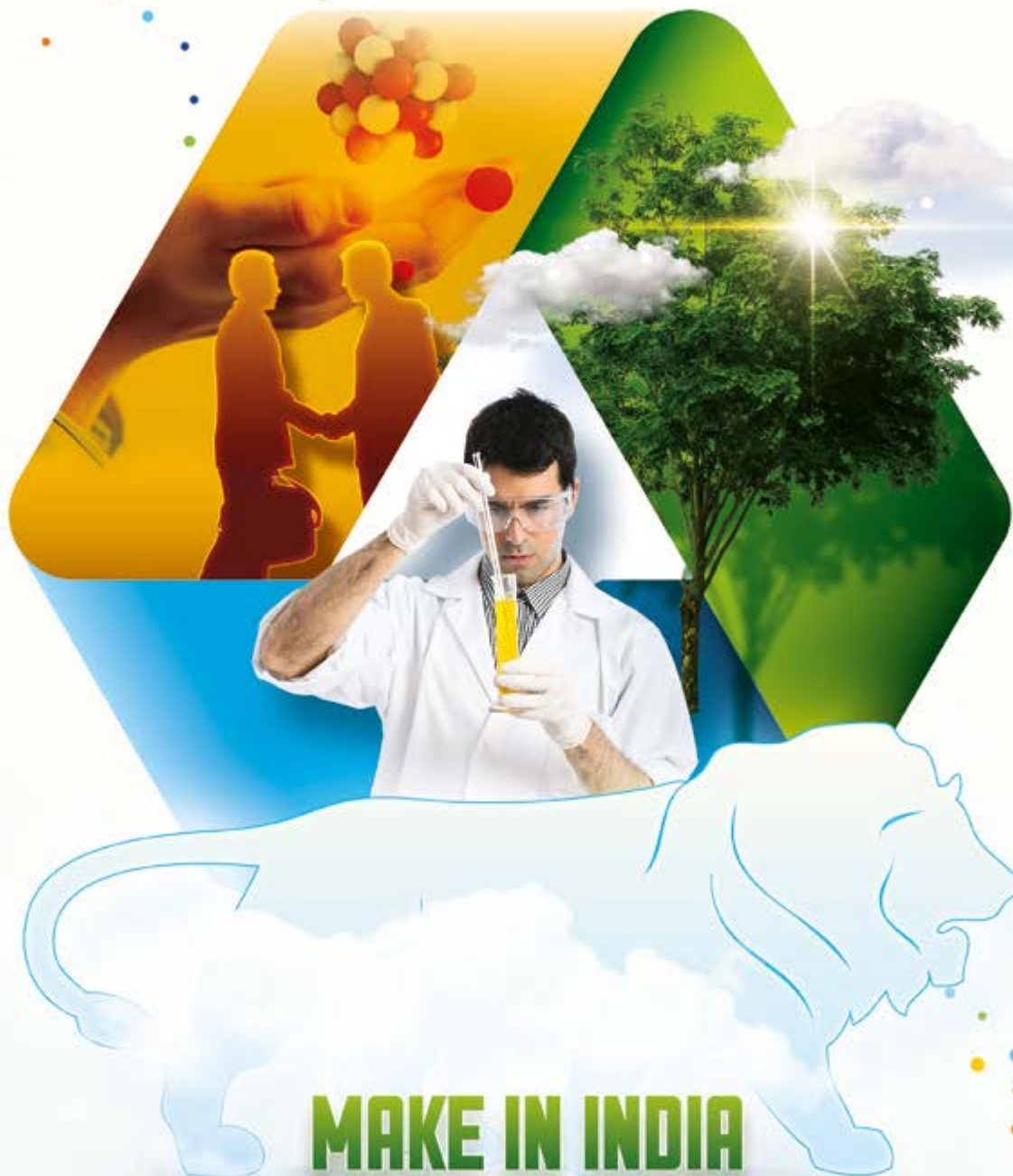
Our recently commissioned DMC plant has a capacity of 15,000 MTPA, and the current demand in India is estimated at 8,000 to 9,000 tonnes.

Cases in point: We are setting up a facility for manufacturing N-Butylamines for the first time in the country. We have localised the process and the product for all variants (Mono, Di, Tri). Currently, there is demand for 8,000 MTPA in the country, and we will build a capacity of 15,000 MTPA under our phase-2 expansion plan.

For a particular chemical, the conventional manufacturing process mandated the production of three variants (Mono, Di, Tri) in equal proportion (largely). Our improvised process flows allow us to manufacture any variant in large amounts.

Cost management: We have our in-house R&D facility. Here, we develop new processes for new products and continuously try to tweak and perfect the existing products & processes to have an edge over our competitors. Our R&D expertise also makes the impossible possible.

Cases in point: EDA (EthyleneDiamine), our subsidiary BSCL's product, was so far imported from foreign countries. India consumes about 50,000 MTPA of this specialty chemical. Now, we can manufacture about 30,000 MTPA. Recently, we exported about 10,000 tons of EDA to China.







ABOUT US

Lateral by design

Headquartered in Solapur, Maharashtra, Balaji Amines is one of the select few players in world that manufacture an array of amines and their derivatives of amines. The Company also manufactures specialty chemicals and pharma excipients.

Headed by Mr. Ande Prathap Reddy, Executive Chairman, Balaji Amines manufactures products that find applications in diverse end-user segments. The Company maintains stringent in-house quality control to serve customers with the best products at par with international standards.



A LEADING PLAYER IN ALIPHATIC AMINES IN INDIA

Largest
manufacturer of
Aliphatic Amines in
India

State-of-the-art
manufacturing facilities
fully equipped with
latest DCS
technology

30+
Product basket

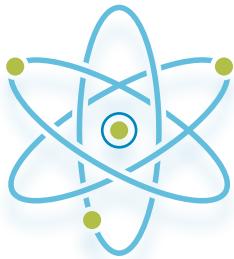
Forward
integrated suite
of products
Downstream products
added based on strength
of amine manufacturing
which have value addition
and cost advantage

Zero
Liquid Discharge
facilities

Only
Company
to develop an indigenous
technology to
manufacture Amines

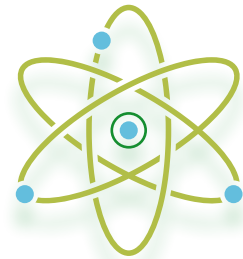
Strong global presence
Indian
multinational

2,31,000
MTPA installed
capacity



Stringent
domestic &
international
quality
standards

- ISO 9001:2015 certified Company
- REACH certified products to regulated markets in Europe
- WHO-GMP certificate to export its products to regulated international markets



Our products

Over the years, Balaji Amines has moved up the value chain. Making a start with Methyl Amines, the Company went on to manufacture Ethyl Amines and other derivatives of Methyl and Ethyl Amines, leveraging in-house developed technology and processes. Our products are used in diverse sectors, touching millions of lives daily from dawn to dusk. The massive sectoral presence works to our benefit in two ways - it amplifies our opportunity canvas and de-risks our growth momentum from an over-dependence on any one sector.



1988

Year of
commencement



5

Manufacturing
plants



830+

Customers



51 nations

International
presence



1111+

Team size



Mission/Vision

- Maintaining our integrity in the market and excelling in all the sectors by providing quality products to our customers
- Focus on high-value derivatives and specialty chemicals with an aim to move up the value chain with vertical integration
- Develop new indigenous technology for manufacturing new products in India the first time, leading to a lowering in manufacturing costs and improvement in return ratios



Values

- Innovating new production techniques to amplify our services, maintaining our integrity in the market and excelling in all the sectors we set our foot in are our core set of values. We abide by them and aim to continue our legacy with Integrity
- One of our topmost priorities is to provide safety and top-notch care to our employees and develop a healthy work culture for all of them in an environment where each stakeholder is performing with excellence



Balaji Amines is one of the largest producers of aliphatic amines in India

| Particulars | Amines | Amine derivatives | Specialty & other chemicals |
|--------------------|--|---|---|
| Description | <ul style="list-style-type: none"> ● Aliphatic Amines find increasing consumption and applications in a Chemically mature Industry such as India, Europe, US, China & Japan ● The Aliphatic Amines industry is expected to grow at a CAGR of 5%-7% | <ul style="list-style-type: none"> ● Amine Derivatives are used to make further salts and other complex chemical intermediates and API's ● In derivatives, Di-Methyl Amine Hydrochloride (DMA HCL) is one of BAL's key product offerings | <ul style="list-style-type: none"> ● Albeit a small and fastest growing segment ● Within specialty chemicals, is the single-largest product in specialty chemicals |
| Products | <ul style="list-style-type: none"> ● Mono Methyl Amine (MMA) ● Di-Methyl Amine (DMA) ● Tri-Methyl Amine (TMA) ● Mono-Ethyl Amine (MEA) ● Di-Ethyl Amine (DEA) ● Tri-Ethyl Amine (TEA) ● Di-Methyl Amino Ethanol (DMAE) ● Di-Ethyl Amino Ethanol (DEAE) | <ul style="list-style-type: none"> ● Mono-Methyl Amine Hydrochloride (MMA HCL) ● Di-Methyl Amine Hydrochloride (DMA HCL) ● Tri-Methyl Amine Hydrochloride (TMA HCL) ● Mono-Ethyl Amine Hydrochloride (MEA HCL) ● Di-Ethyl Amine Hydrochloride (DEA HCL) ● Tri-Ethyl Amine Hydrochloride (TEA HCL) ● Di-Methyl Acetamide (DMAC) ● Di-Methyl Urea (DMU) ● Choline Chloride | <ul style="list-style-type: none"> ● Morpholine ● Acetonitrile (ACN) ● Dimethylformamide (DMF) ● N-Ethyl-2-Pyrrolidone (NEP) ● 2-Pyrrolidone (2-P) ● Gamma Butyrolactone ● N-Methyl-Pyrrolidone (NMP) ● Pharmapure Povidone (PVP K30 & PVP K25) |
| Application | <ul style="list-style-type: none"> ● Pharma ● Agro ● Photographic chemicals ● Rocket fuel ● Dyestuff intermediates ● Rubber chemicals, etc. | <ul style="list-style-type: none"> ● Pharma ● Pesticides ● Performance chemicals ● Specialty chemicals ● Animal/ poultry feed additive etc. | <ul style="list-style-type: none"> ● Production of Water Treatment chemicals and pesticide formulations ● Solvents across industries like pharmaceuticals, petrochemicals, dyes, Agro and paint industries |

We are Universal- Worldwide!

| | |
|------------|--------------|
| Argentina | Malaysia |
| Australia | Poland |
| Bahrain | Norway |
| Bangladesh | Oman |
| Belgium | Pakistan |
| Brazil | Peru |
| Canada | Philippines |
| China | Poland |
| Columbia | Qatar |
| Costa Rica | Russia |
| Egypt | Saudi Arabia |
| Finland | Singapore |
| France | Slovenia |
| Germany | South Africa |
| Guatemala | Spain |
| INDIA | Sri Lanka |
| Indonesia | Switzerland |
| Ireland | Taiwan |
| Israel | Thailand |
| Italy | Turkey |
| Japan | UK |
| Jordan | Ukraine |
| Korea | USA |
| Kuwait | Venezuela |
| Mexico | Vietnam |
| Morocco | |



15.12%

of the Total Revenue for FY23 i.e.
₹260.94 Crore is generated from
exports spanning across continents

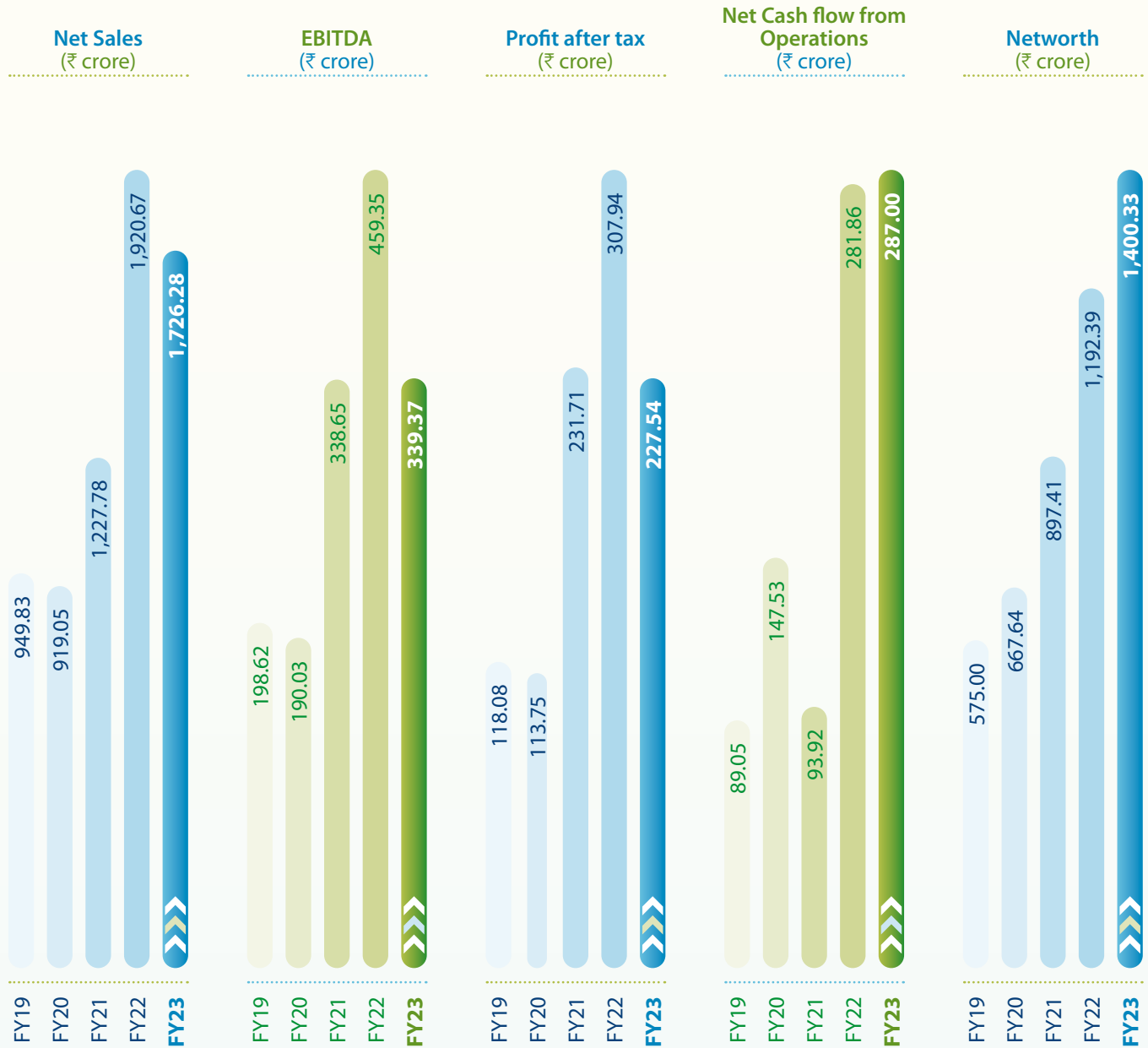


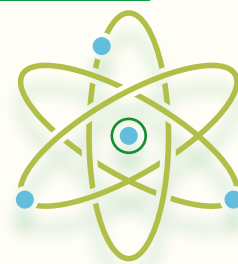
NOTE: MAPS NOT TO SCALE. ALL DATA, INFORMATION, AND MAPS ARE PROVIDED "AS IS" WITHOUT WARRANTY OR ANY REPRESENTATION OF ACCURACY, TIMELINESS OR COMPLETENESS

KEY PERFORMANCE INDICATORS

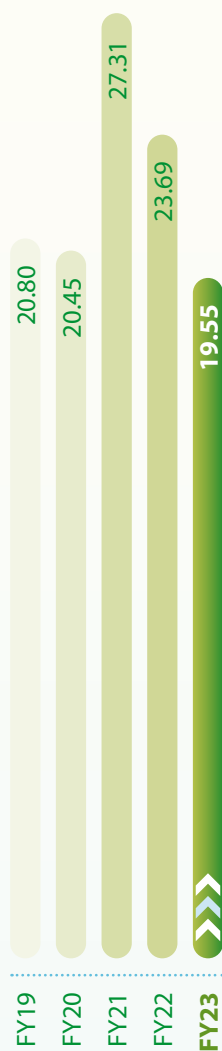
Growing stronger

Our unwavering focus on waking the road less traveled has allowed us to sustain our growth momentum over good and bad times. And has unlocked value for all those who have partnered with us, believed in and relied on us.

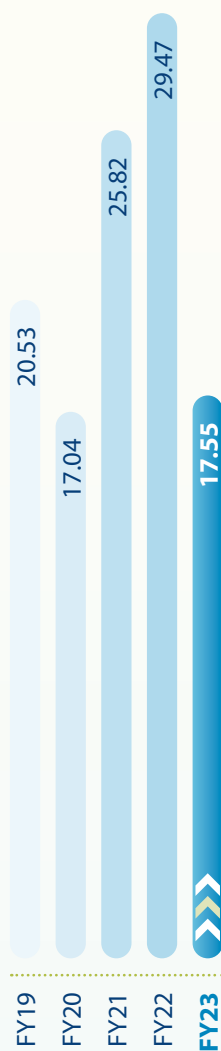




EBITDA margin (%)



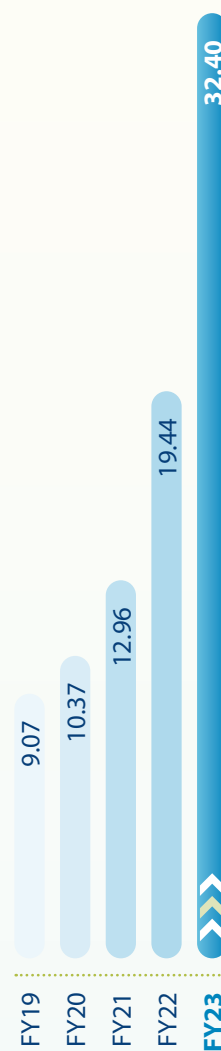
Return on Equity (%)



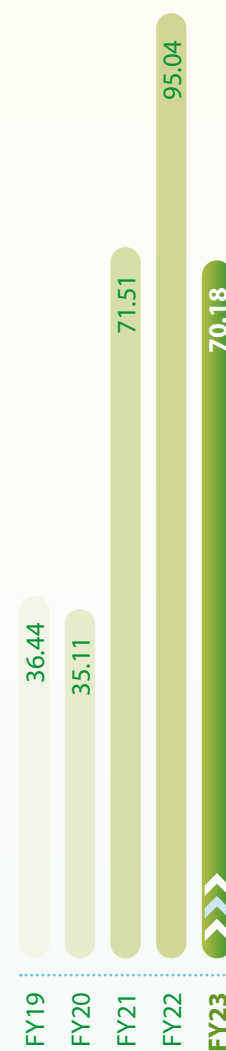
Return on Capital Employed (%)



Dividend payout (₹ crore)



Earnings per share (₹)



The commissioning of Phase 2 of our large capex plan in the next 9-18 months, notwithstanding any unforeseen adversity, will go a long way in strengthening our leadership in the chemical space and supporting the growth aspirations of our clients.



Dear Shareholders,

It is a happy time to connect with you as the Company reported a satisfying performance considering significant headwinds that swept across the globe.

OUR topline and bottom-line dropped by 10% and 26% over the previous year. This drop was owing to muted performances by our user sectors which impacted sales volumes. Cost inflation impacted business profits and profitability compared to the pandemic period.

FY23 had its share of positives which promise strong Company performance growth over the medium term.

We commissioned our DMC, PG and PC plants. The plant comprises of production capacity of 15,000 tons of Di-methyl Carbonate (DMC)/ Propylene Carbonate (PC) and 15,000 tons of Propylene Glycol (PG). The unit will allow us to explore more significant opportunities as we will be the sole supplier for DMC/PC in India, which we understand has strong demand in the domestic market and the potential for exporting to important global markets. As volumes increase, the facility should help us to achieve a better margin profile.



We have initiated the construction in Phase 2 of our Greenfield Project (Unit IV) for our N- Butyl Amines, Methyl Amines & other derivatives plants. The Environmental Clearance for the same has been received well in advance. We expect to start operations at these state-of-the-art manufacturing facilities in the current financial year. Our N Butyl Amines & Methyl Amines products will be manufactured with an upgraded/improved technology, enabling us to compete in the global market.

Dimethyl Ether (DME) project is taken up in Unit-IV, Second Phase with an installed capacity of 1,00,000 MTPA. This is mainly used in the place of LPG either blended or directly. DME has major applications in the Aerosal industry used as Propellant. The expected commencement of commercial production is by end of FY 23-24. The capex is around ₹50 Crores.

Moving forward, I am particularly optimistic about our performance, as I see significant opportunities in the Specialty Chemicals sector in India. In FY23, despite global instability, India fared appreciably better than almost any other major nation. And this trend is expected to continue.

Further, India continues to allure global players to set shop in India with a promising talent pool, strong domestic economy, resilient supply chains and the spirit of Atmanirbhar while spreading its wings to achieve the global dream of becoming an ideal manufacturing destination. When this happens, we will see considerable

traction for our products because what I make is directly/indirectly consumed by every human in his every waking hour.

I am convinced that India is poised to become a great nation and is well on its way to emerging as a US\$5 trillion economy a few years from now. The prospects and potential for the future appear very promising. I see a firm conviction in India to reclaim its position as a pivotal force in global growth.

This resilience, optimism and belief drive us to take the organisation into a higher orbit, enabling us to play a pivotal role in India's resolve to become Atmanirbhar in the chemicals space.

The commissioning of Phase 2 of our large capex plan in the next 9-18 months, notwithstanding any unforeseen adversity, will go a long way in strengthening our leadership in the chemical space and supporting the growth aspirations of our clients.

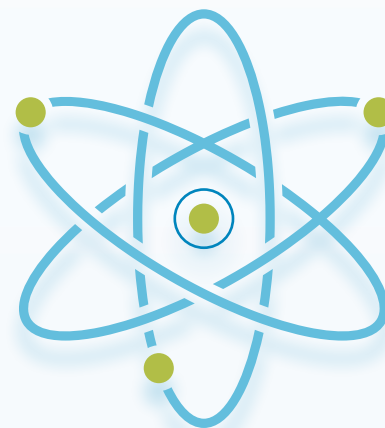
Additionally, we will continue to map our existing product basket against the dynamic market environment to create a portfolio that serves as a lever for our ambitions.

In a nutshell, the central message that I wish to send out to our stakeholders is that we are perfectly positioned for the fastest growth phase in our existence. We have proactively aggregated competencies required to address the markets of the future.

I express my most sincere gratitude to our employees for their disciplined dedication, our customers for their undeterred trust in our brand, and all our stakeholders for their continued support and faith. This synergy navigates us ahead, motivates us to exceed stakeholder expectations, and remains value driven with the Leadership to emerge in all spheres.

Warm regards,

Ande Prathap Reddy
Executive Chairman



Strengthening our leadership position with significant investments in first-time products

Phase 1

We commissioned Phase 1 of the 90-acre Greenfield Project (Unit IV) comprising the 15,000-tonne Dimethyl Carbonate (DMC)/Propylene Carbonate (PC) plant and the 15,000-tonne Propylene Glycol (PG) plant.

Currently, the annual domestic demand for Dimethyl Carbonate (DMC) is about 8,000 to 9,000 tons, with primary usage in Pharma and others; Propylene Glycol (PG) is about 170,000 to 180,000 tons & Propylene Carbonate (PC) is about 3,000 to 4,000 tons which are entirely met by imports.

DMC is also used in the production of Polycarbonate and Lithium Batteries - the consumption of which is expected to grow exponentially, backed by various government initiatives.

Considering the growing traction for our products, we hope to achieve a capacity utilisation of 60-70% at the DMC/PC and PG plant in our first year of operations.

Phase 2

We have outlined our capex plans for the next 2-3 years with an outlay of ₹4000-5000 mn. Out of the above capital expenditures, the Company has also begun construction on the N Butylamines Methyl amines plant, which is anticipated to be commissioned during the second half of FY24, and the production of other plants will begin within the next 2-3 years, subject to government approvals and environmental clearances.

We have obtained the environmental clearance for Dimethyl Formamide (DMF) and Acetonitrile plants for the capacity of 36,000 MTPA and 16,000 MTPA respectively. These projects will be implemented on the basis of market situation.

| N-Butylamines | Di Methyl Ether | Methylamines |
|---|--|---|
| <p>We plan to undertake capex for a new product, namely N-Butylamine, having a capacity of 15,000 MTPA.</p> <p>N-Butylamine is used for manufacturing pharmaceuticals, APIs, pesticides and emulsifiers.</p> <p>The annual domestic demand stands at about 8,000 tons which is currently entirely met by imports.</p> | <p>We plan to undertake capex for a new product, namely Di Methyl Ether, having a capacity of 1,00,000 MTPA.</p> <p>Di Methyl Ether is a modern gas with various applications, including being used as a replacement for LPG as a fuel and in aerosol usage.</p> <p>The Company is working on various other applications and uses for replacing LPG.</p> | <p>Market Leader in Methylamines production in India with an installed capacity of 48,000 MTPA.</p> <p>Methylamines are a critical raw material and the base product for value-added derivatives.</p> <p>80% of our Methylamines production is captively used.</p> <p>To meet our increasing captive requirements, we are setting up a separate plant for Methylamines with a capacity of 40,000 MTPA, for which we have received environmental clearances.</p> <p>The pharmaceutical application segment and agrochemicals are expected to drive significant demand for Methylamines and related value-added products.</p> |



Awards & Accolades



Mr. Ande Prathap Reddy
honoured with "Best CEO -
Emerging Companies" Award at
Business Today "Best CEO Awards"
on 26th April, 2023



Balaji Amines Limited has received award towards the most accomplished social efforts and initiatives for Sustainability and Responsible Business Practices on 1st October, 2022

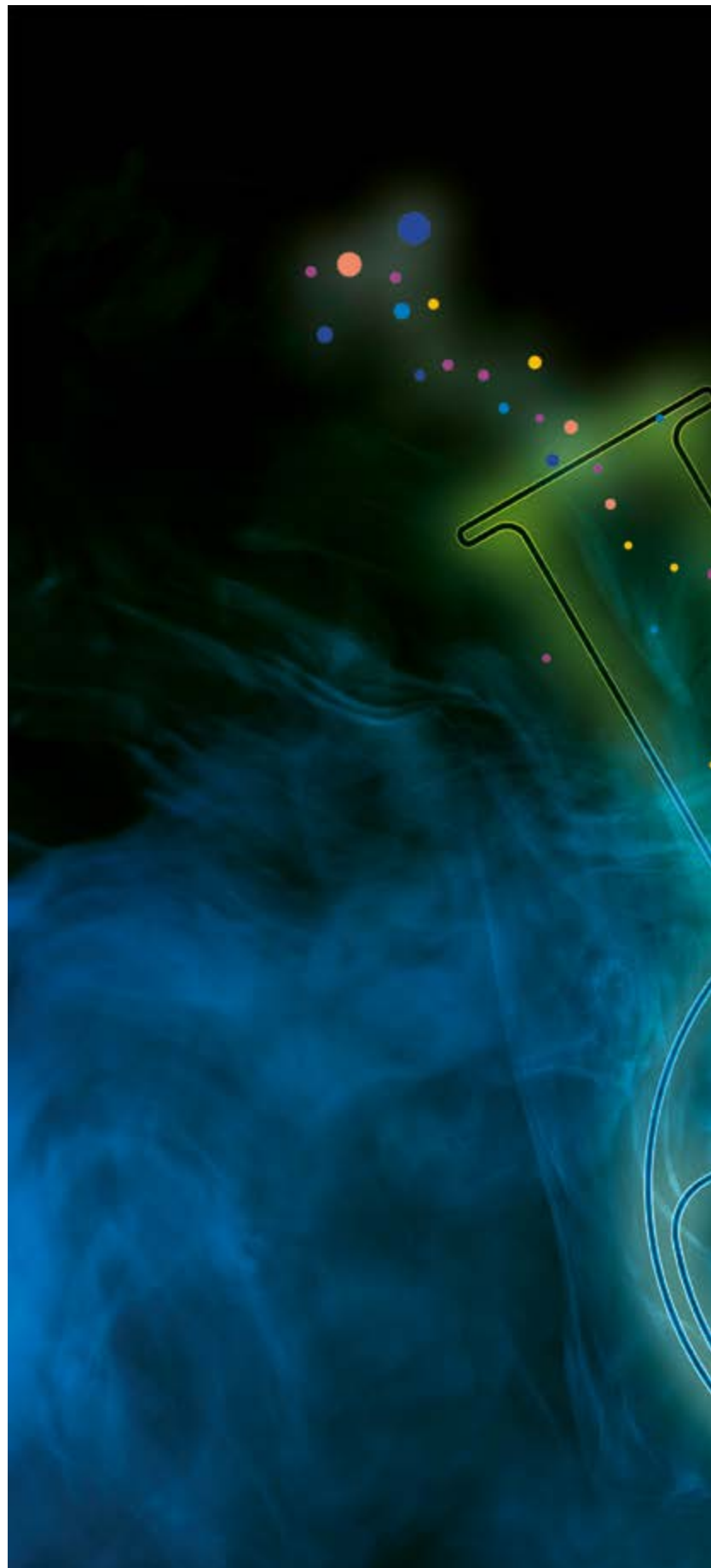


Management Discussion & Analysis

An Economic Overview

World Economy: According to IMF World Economic Outlook (April, 2023), the global economy is yet again at a highly uncertain moment, with the cumulative effects of the past three years of adverse shocks-most notably, the COVID-19 pandemic and Russia's invasion of Ukraine-manifesting in unforeseen ways. Though, the global economy saw a remarkable recovery during the pandemic and other related headwinds, albeit from a lower base.

The World Economy is facing several challenges such as incremental inflation, the cost of living, trade wars and protracted geopolitical conflicts. The world economy has finally regained its positive growth momentum. Effective economical stances undertaken by Governments across the world helped build the way for more resilience across nations and businesses, to stay future-prepared and on their toes. In January 2023, IMF in its Report forecasted that against an estimated global growth of 3.4% for 2022, growth will fall to 2.9% in 2023 followed by 3.1% in 2024 - three consecutive years of growth lower than the historical average of 3.8%.





The shock of Russia's invasion of Ukraine in February 2022 continues to reverberate around the world. The Russian-Ukraine humanitarian crisis and consequent supply-chain disruptions, hikes in energy prices, rising commodity prices, and widespread inflation all weighed heavily on the overall prospect of the global economy in 2022.

To battle inflation, central banks worldwide hiked policy interest rates. As a result, inflation moderated by the end of the year.

However, despite inflation, global trade flourished in 2022. By mid-December, global trade in goods grew 10%, and global trade in services grew 15% yearly. Also, global trade volumes grew significantly during 2022, signaling a rise in global demand.

While there are signs that the tightening of monetary policy is beginning to dampen demand and inflation, the total impact is unlikely to materialise until 2024.

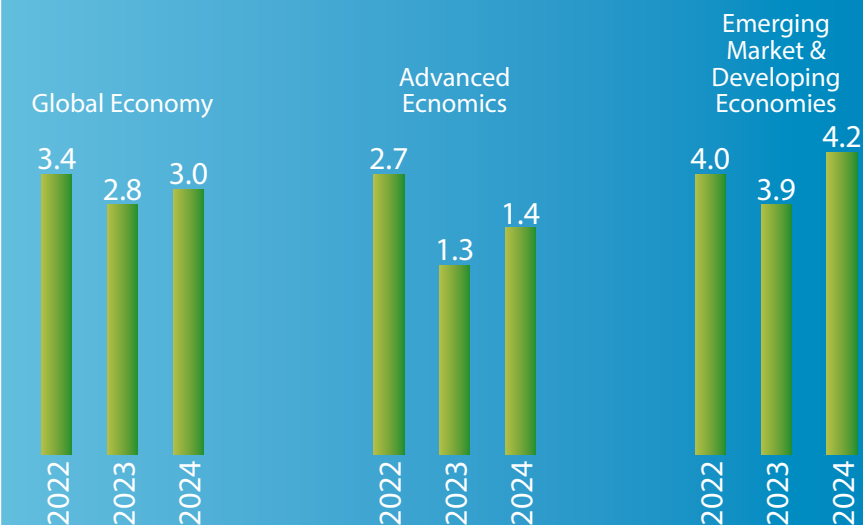
Outlook: In 2023, headline inflation is expected to come down to 7% from 8.8% last year due to the decline in commodity prices. Central banks are expected to continue tightening monetary policy, but the contraction rate will be slower this year. Growth slowdown is likely to persist in advanced economies even in 2023. By sharp contrast, many emerging markets will likely see acceleration in growth this year.

Further, structural reforms will help fight the price rise by improving productivity and easing supply constraints. In the meantime, demand for environmentally sustainable products is expected to spur global demand.

WORLD ECONOMIC OUTLOOK APRIL, 2023

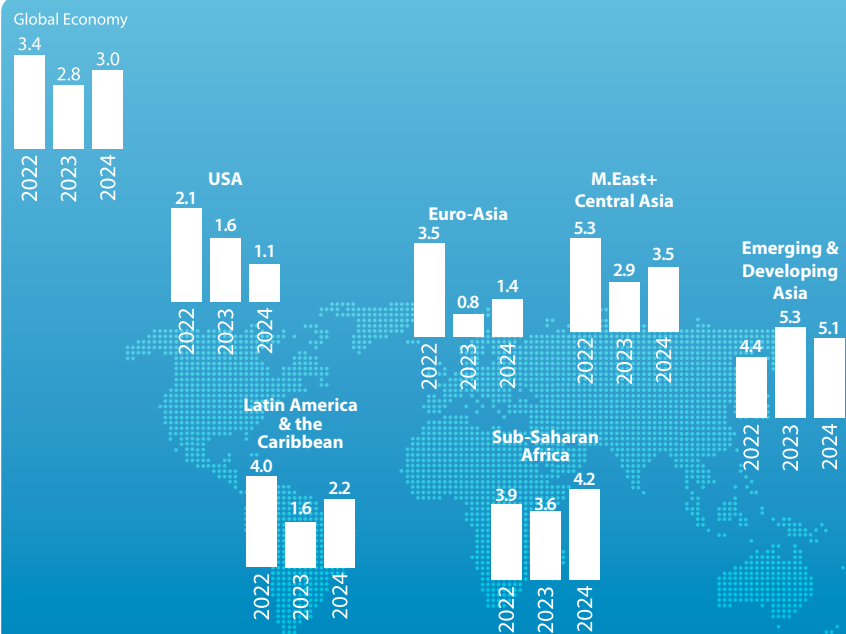
Growth Projections

(REAL GDP GROWTH PERCENT)



WORLD ECONOMIC OUTLOOK APRIL, 2023

Growth Projections by Region



SOURCE: IMF PUBLICATIONS



Indian Economy: In FY23, the Indian economy continued to remain strong in the face of adverse global macroeconomic challenges. According to the data by MoSPI (Ministry of Statistics and Programme Implementation), India's GDP grew by about 7.2% in FY23.

India's economic growth story was primarily supported by robust investment activity reinforced by government capex push, return of private consumption and capital formation, which also helped generate employment in the country. Further, the widespread vaccination drive lifted consumer sentiments which sustained over all consumption both industrial and domestic fronts.

Though, the global turmoil in FY23 triggered broad-based inflation worldwide, and India was no exception. In April 2022, retail inflation, measured by CPI (consumer price index), reached the highest (7.79%). RBI increased interest rates to contain the soaring inflation. By the end of this fiscal, CPI (consumer price index) came down to 5.66%.

The index of industrial production grew by 5.1%, against a growth of 11.4% in FY22. Despite this drop, GST collection in FY23 stood at ₹18 lakh crore, clocking a growth of 22% over last year. It shows the resilience of the Indian economy amid several global headwinds. Net Direct Tax collections (provisional) for the FY23 stood at ₹16.61 lakh crore marking a growth of 17.63% on a y-o-y basis.

However, despite weak global demand, merchandise exports hit a record high of US\$ 447.46 billion, registering a 6.03% growth over FY22. Imports, on the other hand, rose to US\$ 714.24 billion in FY23. Last year it was US\$ 613.05 billion. As a result, the trade deficit moved north to US\$ 266.78 billion.

Net FDI declined by nearly 27% to US\$ 28 billion in FY23 as compared with US\$ 38.6 billion a year ago, mainly due to moderation in gross foreign direct investment inflows and an increase in repatriation.

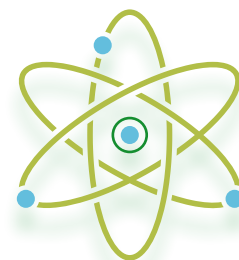
Fitch Ratings affirmed India's long-term foreign-currency issuer default rating (IDR) at 'BBB-' with a Stable outlook, backed by robust growth outlook and abating core inflation pressure.

In an effort to push the infrastructure capex, in the financial budget for FY24, the Central Government announced a massive increase of 33% in the capex outlay to ₹10 lakh crore, about 3.3% of the GDP. This is said to have a multiplier effect resulting in additional economic activities and job creation with all round economic activity being the single point agenda.

Outlook: For the FY24, the overall growth scenario is expected to remain robust, although significant challenges persist in the global environment. Slower consumption and income growth and rising borrowing costs will weigh on the country's overall economic growth. However, due to an increase in exports, the current account deficit is expected to narrow down this year.

Headline inflation is projected to decline owing to easing commodity prices and a slowdown in consumer demand. The RBI has forecasted India's GDP growth at about 6.5% in FY24. Despite a downgrade from FY23, it will continue to be one of the fastest-growing economies in the world.

SOURCE: GOVERNMENT PUBLICATIONS, REUTERS, MINT, FORBES



Indian Specialty Chemical Industry



SPECIALTY chemicals can be a single chemical or formulation of multiple chemicals whose compositions can influence the performance of the products in which they are used. In market terms, specialty chemicals are low-volume, high-value products used in agrochemical, dyes, food & beverages, fragrances sectors and many more.

The Indian specialty chemicals industry has expanded exponentially in recent years. It represents 22% of India's overall chemicals and petrochemicals market and is valued at US\$32 billion.

The specialty chemicals segment has been one of the fastest-growing in the Indian manufacturing sector. This expansion is owing to increased demand from many end-user sectors, favorable government policies, a growing domestic customer base, and changes in consumer lifestyle, among other factors.

The segment accounts for more than 50% of chemical exports. Sectors such as dyes, pigments, and Bulk Drug, pharma, Active pharmaceutical ingredients (APIs) remain dominant in driving export potential.

The domestic specialty chemicals sector reported a moderate performance in FY23, as demand for specialty chemicals remained robust, growing at about 18% over the previous year. But margins came under pressure due to inflationary headwinds and elevated input costs, energy prices and logistic rates. Moreover, Indian exports of specialty chemicals moderated in FY23 owing to the recessionary conditions prevailing in the developed world especially the U.S and EU.

From a global perspective, China is the leader in the specialty chemical market worldwide. India has the opportunity and potential to emerge as a viable alternative hub for specialty chemical manufacturing. The operational cost disparity between China and India has been reduced due to China's enhanced pollution control regulations. Additionally, due to the 'China plus one' offshore strategy, numerous global manufacturers are sourcing these Specialty Chemicals from India.

As such, Indian industry Specialty Chemicals sector is confident of healthy and profitable growth in coming years

on the back of strong domestic demand and waning inflation in Europe and America bolstered by China plus one policy of the global manufacturers. In keeping with this belief, Indian chemical players are considering sizable capex plans. Investments cumulating to ₹17,500 crore are reportedly lined up for FY24, indicating ₹27,500 peak revenue potential.

The Indian specialty chemical market is expected to grow at ~12% CAGR to US\$120 billion, which will presumably double its share in the global market from 3-4% to 6% in the next 2-3 years to come.

SOURCE: ANI NEWS, MINT



Indian Amine Space

AMINES are a large class of nitrogen-containing organic compounds derived from Ammonia. Aliphatic amines find usage in chemical, pharmaceutical, rubber, plastics, dye-stuff, textiles, cosmetics and metal industries. These chemicals are used as intermediates, solvents, rubber accelerators, catalysts, emulsifiers, synthetic cutting fluids, corrosion inhibitors, flotation agents, etc.

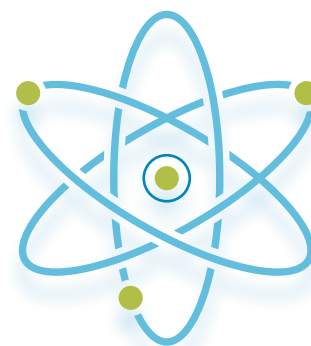
Globally, China is the largest producer and consumer, accounting for ~60% of the production. However, owing to stringent pollution norms implemented by the Chinese Government, the chemical units have abruptly shut down operations. It has created a demand-supply mismatch in the world amines equation.

The Indian amine market is relatively smaller than its Chinese counterpart. However, owing to supply constraints from China, Indian pharma companies opt for domestic producers to fill the vacuum.

In addition, global amine users are scouting for amine vendors in other geographies to de-risk their supply chain from an over dependence on China. This trend presents an excellent opportunity for Indian companies with technical expertise and capacity to capitalise on emerging opportunities.

The Indian Aliphatic Amines market is expected to grow at a steady CAGR of 3.7% by 2030.

SOURCE: GMINSIGTHS, CHEMANALYST



Key demand drivers for amines

- Prevalence of chronic diseases along with lifesaving drugs in post Pandemic Scenario
- Increasing use of agrochemicals in crop protection and enhanced crop yields on positive outlook for rainfall and irrigated areas being expanded
- Rapid growth in the personal care industry led by cosmetics & beauty products
- Increasing demand for various consumer products where chemicals are used

GLOBAL MARKET INSIGHTS AMINES MARKET



Europe market CAGR (2021-27): 8.4%



Asia-Pacific Market CAGR (2021-2027): 9.2%

GLOBAL STATISTICS

>\$17 bn 2020

>\$30 bn 2027

○..... CAGR (2021-2027)○



Global Alkyl
Amines
Market: 11%



Global Methyl
Amines Market:
10.5%



Global Ethyl
Amines
Market: 11.5%



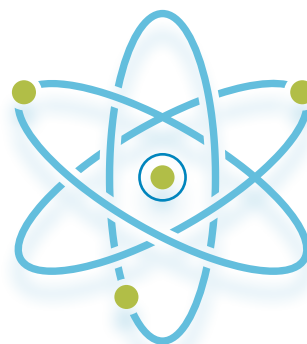
Personal Care
Applications:
8.5%

About the Company

ESTABLISHED in 1988, Balaji Amines is one of India's leading manufacturers of aliphatic amines and their derivatives, specialty chemicals and pharma excipients. It manufactures derivatives and downstream products for various Pharma /Pesticide industries apart from user-specific requirements.

The Company has a portfolio of around 30 products manufactured at its 4 world-class, fully-automated manufacturing facilities in the states of Maharashtra & Telangana. Sophisticated, cutting-edge R&D laboratories support its product development zeal.

The Company has a long-term relationship with its client base. It supplies most of its products to some of India's reputed and blue-chip customers. It also has a global presence in more than sixty countries worldwide. It exports most of its products to countries like the USA, UK, Argentina, Latin America, Canada, Israel, Australia, Bangladesh, Germany, Italy, Egypt, South Africa, and many more.





Financial performance (COMMENTARY BASED ON CONSOLIDATED FINANCIALS)

REVENUE from Operations for FY23 stood at ₹2,370.64 crore, as compared to ₹2,337.60 crore in FY22. Total volumes stood at 1,10,508 MT for FY23 as against 1,15,349 MT in FY22.

EBITDA for FY23 was ₹624.36 crore, as compared to ₹637.39 crore in FY22. EBITDA margin for FY23 stood at 26.34% as against 27.27% in FY22. The fall in operating margin was primarily on

account of de-growth in the pharma and API sector. PAT for FY23 was ₹405.68 crore, as compared to ₹417.90 crore in FY22. Diluted EPS for FY23 stood at ₹100.47 per equity share as against ₹113.71 in FY22.

| Key ratios | FY23 | FY22 | Change (%) |
|-----------------------------|-------|-------|------------|
| Current ratio | 6.92 | 3.02 | 129.29 |
| Debtors Turnover | 4.88 | 5.20 | -6.17 |
| Inventory Turnover | 8.97 | 13.98 | -35.84 |
| Debt-Equity Ratio | 0.03 | 0.08 | -55.70 |
| Interest Coverage Ratio | 0.03 | 0.04 | -27.91 |
| Operating Profit Margin (%) | 24.57 | 25.63 | -4.13 |
| Net Profit Margin (%) | 17.22 | 17.99 | -4.26 |
| Return on Net Worth (%) | 26.93 | 37.57 | -28.32 |

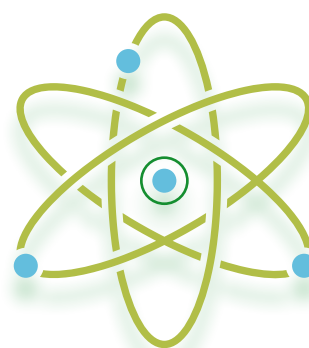
Product-wise performance

| Particulars | As of 31 st March 2023 | | As of 31 st March 2022 | | Change (%) |
|-----------------------|-----------------------------------|---------------------|-----------------------------------|---------------------|--------------|
| | Quantity (MT) | Amount (₹ in Lakhs) | Quantity (MT) | Amount (₹ in Lakhs) | |
| Aliphatic Amines | 25,789 | 42,931.25 | 24,999 | 36,768.35 | 16.76% |
| Specialty Chemicals | 51,628 | 1,45,232.31 | 53,180 | 1,51,560.47 | -4.18% |
| Derivatives of Amines | 33,091 | 59,171.28 | 37,171 | 52,329.43 | 13.07% |
| Total | 1,10,508 | 2,47,334.84 | 1,15,350 | 2,40,658.25 | 2.77% |

Internal Control Systems & their Adequacy

THE Board of Directors is satisfied with the existing internal control system in force. All the areas of operation are fully supported with duly committed team members. The business processes are being continually reviewed for all the inherent risks and ensuring compliance with all the applicable laws, regulations & systems in place.

The ERP systems and set business process MIS systems are being monitored for integrity and for reporting accurate financial statements duly complying to the internal controls being concurrently reviewed by the Internal Auditor, who in turn report to the Audit Committee and Board of Directors.



Expansion plan

CONTINUOUS Aspiration is the cornerstone of Balaji Amines' existence, supported by its mission of developing niche products and novel manufacturing processes. The growing demand for its products and the Company's aspiration of making a genuine contribution to the Government's clarion calls for an Atmanirbhar Bharat and Make in India has inspired the Company to invest in capacities and capabilities in products which were imported up and until now.

Methyl Amines: Balaji Amines is the market leader in Methyl Amines products in India with a capacity of 48,000 MTPA; it consumes about 80% of its production for value-added products. To meet the increasing captive demand, the Company has planned to set up a new plant with a capacity of 40,000 MTPA, which is expected to come on stream in the second half of FY24. The Company has received the environmental clearance for this plant.

N-Butylamines: India's domestic demand for N-Butyl Amines is 8,000 MTPA. It is mainly used in APIs, pesticides and emulsifiers. So far, the domestic demand is met through imports. Balaji Amines is setting up a manufacturing facility for 15,000 MTPA of this product. The production facility of N-Butyl Amines in India will commence operations towards the 3rd Quarter of FY24.

Di Methyl Ether: Di Methyl Ether (DME) with a capacity of 1,00,000 tons per annum a new age liquid which has applications in various fields such as replacement of LPG for fuel and Aerosol usage so far the demand for which is being met by LPG from imports. The Company is working on various other applications and usage for replacing LPG.

Acetonitrile: The Company has obtained the environmental clearance for the capacity of 16,000 MTPA. The project will be implemented on the basis of market situation.

Dimethyl Formamide (DMF):

The Company has obtained the environmental clearance for the capacity of 36,000 MTPA. The project will be implemented on the basis of market situation.

Phase-2 expansion would involve a capex of around ₹500 crore to be incurred between FY24 and FY25. This will be funded mainly through internal accruals. Expected revenue at peak utilisation should be more than ₹600 crore.





Hotel Division



BALAJI Amines ventured into a hospitality space with a 129-key hotel at Solapur, which the Sarovar Group manages. Solapur is a tourist hub owing to its proximity to places like Pandharpur, Tuljapur, Siddeshwar Temple, Gangapur, Bijapur and Akkalkot, which attract tourists all year round.

Sprawling over about 3 acres of land, Balaji Sarovar Premier Hotel offers opulence, comfort, excellent services and convenience to pilgrims, tourists and business travelers alike. The hotel is perfect for big meetings and high-end corporate and social events.

In FY23, Balaji Sarovar Premier Hotel reported a 69% occupancy rate and contributed 1.52% to our revenue.



Balaji Specialty Chemicals Ltd (BSCL), our subsidiary

BALAJI Amines has a subsidiary, which is a fast-growing specialty chemicals business through its subsidiary BSCL in which it holds 55% stake as of 31st March 2023. It was incorporated in 2010 in Solapur, Maharashtra, with the sole objective of catering to the specialty chemical customers of the parent.

BSCL's product portfolio comprises five niche chemicals catering to a diverse range of end user industries, including

specialty chemicals, agrochemicals and pharmaceuticals across multiple applications.

It is the sole manufacturer in India of niche chemicals such as Ethylenediamine, Piperazine (Anhydrous), Diethylenetriamine, Amino Ethyl Ethanol Amines and Amino Ethyl Piperazine, using the Monoethanol Amine ("MEA") process.

The Company's Ethylenediamine, and Diethylenetriamine products are REACH certified, which enable it to export these products to the European Union.

It has 180+ customers in India and across the globe. A significant portion of its revenue accrues from repeat orders.

Human resources (MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS)

BALAJI Amines considers its employees the most valuable assets. It emphasises fostering a culture that empowers employees to cultivate their talent and improve communication while increasing their productivity. Employee well-being is also high on the HR agenda. The HR team takes care of the people's safety and wellness, motivation and training of its employees for their career growth.

The Company has empowered its team to make decisions that will improve business operations and help them execute business strategies better. It recognises and rewards employee and team contributions to the furtherance of business performance. This goes a long way in motivating the team for greater efficiency and planning their career path with futuristic goals.

The Company had 1,111 employees on its rolls as on March 31, 2023.





Risk Management

BALAJI Amines' risk strategy is determined by a risk appetite defined by a series of risk criteria. The criteria are based on sectoral circumstances, internal capabilities, and earnings targets within accepted volatility limits. The Company's Audit Committee and Management team, working in tandem, focus on the early identification of risks and work with speed to implement mitigation measures to minimise their impact on business performance.



DEMAND RISK

The Company may not be able to meet the growing demand for its products.

Mitigation measures

- It continuously works on technology and process improvements to enhance man-machine productivity
- It is always in capex mode - enhancing capacities for existing products in high demand and creating capacities for new products



COMPETITION RISK

Competition could impact business performance and progress.

Mitigation measures

- As a policy, the Company enters only those spaces where it will enjoy a dominant position - 1) develop products that are import substitutes and 2) create capacities that make them the most significant player for that product in India
- Being at the top, the Company works diligently towards optimising costs, improving quality and customer service to emerge as the supplier of choice for its domestic and international customers



TALENT RISK

The intellectual capital drain could impact the Company's performance and prospects.

Mitigation measures

- Balaji Amines is a people-friendly company where the well-being and growth of employees continue to remain a top priority of the Management
- The Company sustains its efforts to create a charged work environment and motivated team
- It has ring-fenced its critical talent pool with key incentives that have enhanced its loyalty to the corporate brand



DATA SECURITY RISK

Data leaks of sensitive product information could jeopardise the Company's reputation.

Mitigation measures

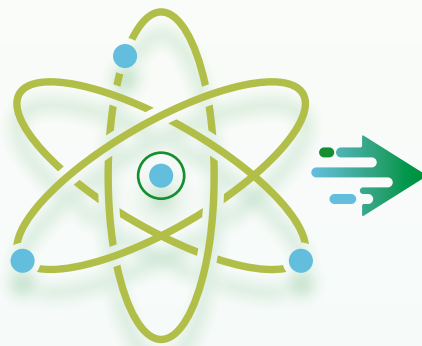
- Regularly scan and take inventory of your network devices and software
- Removal of unnecessary or unexpected hardware and software from the server
- We encrypt the data and create backup files
- We conduct employee training programmes for general awareness





Environment, Social & Governance

BUSINESS ethics is not only the social obligation of the business but also obligations to all its stakeholders. It helps organizations formulate appropriate policies and practices for sustainable business operations.





Climate change and sustainability have become pivotal factors in companies' long-term business, and it has become imperative to embed sustainability in business strategies and investment justifications.

Moreover, investors and financial markets also demand a convincing environmental, social, and governance (ESG) plan toward a net-zero carbon footprint.

Balaji has committed to a net-zero emission goals with a comprehensive blueprint to be implemented in a phased manner. These commitments form part of our vast ESG responsibilities.

ENVIRONMENT

Being a chemical company, Balaji committed for its operating processes to ensure compliance with sustainable environment. The Company focuses on reducing its carbon footprint, which enables it to deliver products that allow its customers to meet their environmental aspirations.

Adhering to its ESG vision, Balaji has deployed innovative techniques to cut emissions and create an ambient working environment at its latest

facilities. These initiatives allow it to take care of its people, resources and the environment. The safety measures institutionalized at its facilities ensure that all chemicals are safely stored and handled as per best practices.

The Company promotes and educate people for planting trees to improve soil and water conservation, store carbon, moderate local climate by providing shade, regulate temperature extremes, increase wildlife habitat and improve the land's capacity to adapt to climate change.

SOCIAL

As a socially responsible organization, Balaji takes initiatives that support to improve the lives and livelihood of communities around its operating facilities. As the business grew, the Company widened its social network to leave a lasting impact on society. The key areas of intervention were education, healthcare, resource conservation and capacity building rural development.

Education: At Balaji, we understand the importance of education in society, which can impart a culture of creativity, critical thinking, and collaboration and

communication skills in every child. As a result, educated population uplift their families and contribute to the progress of society.

Aligning with this belief, the Company makes generous contributions to educational institutions in Solapur, Osmanabad and Medak districts. Additionally, it provides school stationery such as notebooks, library books, and other infrastructure (benches, computers, desks, water filter R/O systems) etc. They also provide laboratory equipment, toilet blocks and funds for the construction/repair of school buildings/classrooms.

The Company promotes e-learning in and around villages of Osmanabad and Solapur districts by providing the computers and projectors for students. It awards scholarships to deserving underprivileged students. With the help of other institutions; the Company organizes district-level and international-level educational lectures, seminars and conferences. Students are encouraged and supported to participate in competitive sports, cultural and educational events such as science fairs etc.



Donation of ₹1.25 Crores for Renovation of Punyashlok Ahilyadevi Holkar Prasuti Gruh Solapur (Maternity Hospital) Jan 2023



Construction of Class Rooms at Nagar Parishad Primary School Tuljapur Dt. 26.11.2022



Distribution of Computer to Z.P.Primary School, Valha, Dist. Osmanabad Dt. 22.06.2022



Health & Hygiene: The Company works towards improving the health of the communities it works with. It funds the construction of toilet blocks for the general population of Solapur and Osmanabad districts. It provides dustbins to facilitate cleaner surroundings and better waste management. The Company is encouraging to uplift the standards of the Hospitals for providing better healthcare services to the society at large.

The Company arranges regular free health checkup camps for people in the Osmanabad and Solapur district areas. It has conducted various health camps and centers to provide access to emergency cases and disadvantaged patients. In some instances, the Companyborne the medical expenses of underprivileged patients.

Balaji has funded and assisted in installing large water tanks in Solapur and Osmanabad districts to provide clean drinking water, where access to sufficient drinking water was scarce. The Company also provided drinking water for livestock in the summer season.

Community Service: Balaji is very keen on helping orphanages and their causes. With this objective, the Company contributes generously to orphanages in Solapur. Helping homeless people is also an essential priority for the Company. It donates wheelchairs to the geriatric population at Solapur Railway Station.

Conservation of Natural Resources: 'Jalyukt Shivar Abhiyan' is a conservation initiative by Maharashtra State Government that aims to make the state drought-free. The primary objective of this initiative is to establish the belief in the farming community that 'they own every drop of rainwater; it should percolate to their land.' Being part of this initiative, Balaji makes it a point to widen and deepen the drainage system of the farmlands. It has completed work in more than 27 villages and partnered with other institutions in creating large storage of water to 300 TMC.

Rural Development: With the help of an NGO, the Company set up Ekalavya Centre to conduct research on organic agriculture and training center at Gungurti, Tandur Mandal, Vikarabad district in Telangana. Balaji also provided

infrastructure for its smart village initiative by funding road construction, setting up street lights, making surface drainage facilities, construction of water tank, etc.

To support 'Swachh Bharat Abhiyan,' Balaji provided garbage containers for some of the villages in the Osmanabad and Solapur districts. It also provided garbage containers, construction of toilet blocks and dumper placers for waste management in the villages of these districts.

GOVERNANCE
Corporate governance ensures transparency with strong and balanced financial development in any organization. It also ensures that the Company is directed and controlled to achieve its goals and objectives, which can benefit all the stakeholders. Balaji puts forward an efficient corporate governance framework that helps attain the Company's objectives and encompasses every sphere of management, action plans and internal controls for performance measurement.



Constructed Ladies and Gents Toilet Block at Innovative School Ankoli Taluka Mohol Dist. Solapur Dt 03.09.2022



Distribution of Flour Mill (Atta Chakki) to Women Dt. 12.08.2022



Distribution of RO Plant to Ganesh Naik Primary School, Solapur Dt. Nov. 2022

Board of Directors



Mr. Ande Prathap Reddy
Executive Chairman



Mr. Dundurapu Ram Reddy
Managing Director



Mr. Rajeshwar Reddy Nomula
Whole-time Director



Mr. Ande Srinivas Reddy
Whole-time Director & CFO



Dr. Uma Rajiv Pradhan
Additional Independent Director



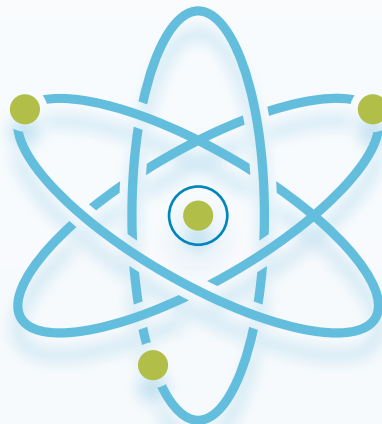
Mr. Adabala Seshagiri Rao
Additional Independent Director



Mr. Mohan Kumar
Ramakrishna
Additional Independent Director



Dr. Suhasini Yatin Shah
Additional Independent Director





Notice

Notice is hereby given that the 35th Annual General Meeting of Balaji Amines Limited will be held on Monday, 10th July, 2023 at 4.00 P.M. IST through Video Conference ("VC")/ Other Audio-Visual Means ("OAVM") facility to transact the following business:

ORDINARY BUSINESS: -

1. To receive, consider and adopt the Audited Financial Statements, including Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2023 and the Report of the Board of Directors and Auditors thereon.
2. To declare dividend of ₹10 per Equity Share for the Financial Year 2022-23.
3. To appoint a Director in place of Mr. Ande Srinivas Reddy (DIN: 03169721), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS: -

4. Ratification of Remuneration to Cost Auditors for the Financial Year 2023-24

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force] and pursuant to the recommendation of Audit Committee, the remuneration payable to Mr. Narayan D. Dontul, Cost Accountants, Solapur (Firm Registration Number: 100224), appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records of the Company for the Financial year ended 31st March, 2024, amounting to ₹75,000/- (Rupees Seventy Five Thousand only) (plus GST and reimbursement of out of pocket expenses), be and is hereby ratified.

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

5. To consider the appointment of Dr. Suhasini Yatin Shah (DIN: 02168705) as an Independent Director of the Company.

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 and 161 and other applicable provisions, if any, of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and on recommendation of the Nomination & Remuneration Committee, Dr. Suhasini Yatin Shah (DIN: 02168705), who was appointed as an Additional Director of the Company in the category of Independent Director of the Company with effect from 20th May, 2023 and who has submitted a declaration that she meets the criteria for independence as provided under Section 149(6) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 consecutive years commencing from 20th May, 2023 upto 19th May, 2028.

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

6. To consider the appointment of Dr. Uma Rajiv Pradhan (DIN: 10096017) as an Independent Director of the Company.

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 and 161 and other applicable provisions, if any, of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and on recommendation of the Nomination & Remuneration Committee, Dr. Uma Rajiv Pradhan (DIN: 10096017), who was

appointed as an Additional Director of the Company in the category of Independent Director of the Company with effect from 20th May, 2023 and who has submitted a declaration that she meets the criteria for independence as provided under Section 149(6) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 consecutive years commencing from 20th May, 2023 upto 19th May, 2028.

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

7. To consider the appointment of Mr. Mohan Kumar Ramakrishna (DIN: 10168247) as an Independent Director of the Company.

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 and 161 and other applicable provisions, if any, of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and on recommendation of the Nomination & Remuneration Committee, Mr. Mohan Kumar Ramakrishna (DIN: 10168247), who was appointed as an Additional Director of the Company in the category of Independent Director of the Company with effect from 20th May, 2023 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 consecutive years commencing from 20th May, 2023 upto 19th May, 2028.

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

8. To consider the appointment of Mr. Adabala Seshagiri Rao (DIN: 09608973) as an Independent Director of the Company.

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 and 161 and other applicable provisions, if any, of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and on recommendation of the Nomination & Remuneration Committee, Mr. Adabala Seshagiri Rao (DIN: 09608973), who was appointed as an Additional Director of the Company in the category of Independent Director of the Company with effect from 20th May, 2023 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 consecutive years commencing from 20th May, 2023 upto 19th May, 2028.

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

9. To consider and approve revision of the terms and conditions of remuneration payable to Mr. Ande Prathap Reddy (DIN: 00003967), Executive Chairman of the Company.

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

"RESOLVED THAT pursuant to the section 196 and 197 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) along with the schedule V of the Companies Act, 2013 and other applicable provisions of Companies Act, 2013 and pursuant to Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other applicable provisions of Listing Regulations, subject to articles of Association of the Company, the consent of the members be and is hereby accorded for revision of terms of remuneration of Mr. Ande Prathap Reddy (DIN: 00003967), Executive Chairman of the Company with effect from 1st June, 2023 for the remaining term of his appointment i.e till 31st March, 2026 as Executive Chairman of the Company as recommended by Nomination and Remuneration Committee with the following terms and conditions:

- I. Salary: ₹5,00,000/- p.m.**
- II. Perquisites:**



- a) Premium on Personal Accident Insurance and premium on Mediclaim policy for self and family not exceeding ₹50,000/-per annum. For the purpose of this category, 'Family' means spouse, dependent children and dependent parents.
- b) Use of Company Car with Driver.
- c) Mobile Phone Facilities.
- d) Telephone and internet facilities at residence.
- e) Provident fund: Company's contribution to provident fund not exceeding 20 % of basic salary.
- f) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- g) The Executive Chairman will be eligible for an annual increment of ₹10,000/- p.m. The first annual increment shall accrue to him on 1st April, 2024.
- h) The Executive Chairman shall be entitled to be reimbursed in respect of all expenses incurred by him (including traveling, entertainment, etc.) for and on behalf of the Company during the course of business.
- i) Club Bills: Bills of Clubs subject to a maximum of two clubs to be paid.

Commission on Profits: Up to 4% of the net profits of the year as computed according to the Companies Act, 2013.

III. Overall Remuneration:

The overall remuneration (i.e. salary, perquisites and commission) in any one financial year shall not exceed 4% of the net profits or any such higher limits prescribed from time to time under section 197 read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) along with the schedule V of the Companies Act 2013 as may for the time being, be in force and any amendments thereto. In case of any doubts/ discrepancy/clarification that may arise with respect to payment of remuneration the same shall be determined and decided by the Nomination and Remuneration Committee. Further, within the overall remuneration, the individual components may be changed as desired by Mr. Ande Prathap Reddy and accepted by the Nomination and Remuneration Committee.

IV. Minimum Remuneration:

In the event of inadequacy or absence of profits in any financial year, during the currency of the tenure of his office, he shall be paid the above remuneration, as minimum remuneration subject to the ceiling mentioned in Schedule V of the Companies Act, 2013 from time to time.

10. To consider and approve revision of the terms and conditions of remuneration payable to Mr. Dundurapu Ram Reddy (DIN: 00003864), Managing Director of the Company.

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

"RESOLVED THAT pursuant to the section 196 and 197 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) along with the schedule V of the Companies Act, 2013, and other applicable provisions of Companies Act, 2013 and pursuant to Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other applicable provisions of Listing Regulations, subject to articles of Association of the Company, the consent of the members be and is hereby accorded for revision of the terms of remuneration of Mr. Dundurapu Ram Reddy (DIN: 00003864), Managing Director of the Company with effect from 1st June, 2023 for the remaining term of his appointment i.e till 31st March, 2026 as Managing Director of the Company as recommended by Nomination and Remuneration Committee with the following terms and conditions:

I. Salary: ₹4,50,000/- p.m.

II. Perquisites:

- a) Premium on Personal Accident Insurance and premium on Mediclaim policy for self and family not exceeding ₹50,000 per annum. For the purpose of this category, 'Family' means spouse, dependent children and dependent parents.
- b) Use of Company Car with Driver.
- c) Mobile Phone Facilities.
- d) Telephone and internet facilities at residence.
- e) Provident fund: Company's contribution to provident fund not exceeding 20 % of basic salary.
- f) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- g) The Managing Director will be eligible for an annual increment of ₹10,000/- p.m. The first annual increment shall accrue to him on 1st April, 2024.
- h) The Managing Director shall be entitled to be reimbursed in respect of all expenses incurred by him (including traveling, entertainment, etc.) for and on behalf of the Company during the course of business.

Commission on Profits: Up to 3% of the net profits of the year as computed according to the Companies Act, 2013.

III. Overall Remuneration:

The overall remuneration (i.e. salary, perquisites and commission) in any one financial year shall not exceed 3% of the net profits or any such higher limits prescribed from time to time under section 197 read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) along with the schedule V of the Companies Act 2013 as may for the time being, be in force and any amendments thereto. In case of any doubts/ discrepancy/clarification that may arise with respect to payment of remuneration the same shall be determined and decided by the Nomination and Remuneration Committee. Further, within the overall remuneration, the individual components may be changed as desired by Mr. Dundurapu Ram Reddy and accepted by the Nomination and Remuneration Committee.

IV. Minimum Remuneration:

In the event of inadequacy or absence of profits in any financial year, during the currency of the tenure of his office, he shall be paid the above remuneration, as minimum remuneration subject to the ceiling mentioned in Schedule V of the Companies Act, 2013 from time to time.

11. To consider and approve the revision of terms of appointment of Mr. Rajeshwar Reddy Nomula (DIN: 00003854) and re-designated as Whole-time Director of the Company

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

"RESOLVED THAT pursuant to the section 196 and 197 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) along with the schedule V of the Companies Act, 2013, and other applicable provisions of Companies Act, 2013 and pursuant to Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other applicable provisions of Listing Regulations, subject to articles of Association of the Company, the consent of the members be and is hereby accorded to revise the terms of remuneration of Mr. Rajeshwar Reddy Nomula (DIN: 00003854) with effect from 1st June, 2023 for the remaining term of his appointment i.e till 31st March, 2026 and re-designated as Whole-time Director of the Company as recommended by Nomination and Remuneration Committee with the following terms and conditions:

I. Salary: ₹4,50,000/- p.m.

II. Perquisites:

- Premium on Personal Accident Insurance and premium on Mediclaim policy for self and family not exceeding ₹50,000/- per annum. For the purpose of this category, 'Family' means spouse, dependent children and dependent parents.
- Use of Company Car with Driver.
- Mobile Phone Facilities.
- Telephone and internet facilities at residence.
- Provident fund: Company's contribution to provident fund not exceeding 20 % of basic salary.
- Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- The Whole-time Director will be eligible for an annual increment of ₹10,000/- p.m. The first annual increment shall accrue to him on 1st April, 2024.
- The Whole-time Director shall be entitled to be reimbursed in respect of all expenses incurred by him (including traveling, entertainment, etc.) for and on behalf of the Company during the course of business.

III. Overall Remuneration:

The overall remuneration (i.e. salary, perquisites) in any one financial year shall not exceed any such higher limits prescribed from time to time under section 197 read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) along with the schedule V of the Companies Act 2013 as may for the time being, be in force and any amendments thereto. In case of any doubts/ discrepancy/clarification that may arise with respect to payment of remuneration the same shall be determined and decided by the Nomination and Remuneration Committee. Further, within the overall remuneration, the individual components may be changed as desired by Mr. Rajeshwar Reddy Nomula and accepted by the Nomination and Remuneration Committee.

IV. Minimum Remuneration:

In the event of inadequacy or absence of profits in any financial year, during the currency of the tenure of his office, he shall be paid the above remuneration, as minimum remuneration subject to the ceiling mentioned in Schedule V of the Companies Act, 2013 from time to time.



12. To consider and approve the revision of terms of appointment of Mr. Ande Srinivas Reddy (DIN: 03169721) and re-designated as Whole-time Director and CFO of the Company

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

“RESOLVED THAT pursuant to the section 196, 197 and 203 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) along with the schedule V of the Companies Act, 2013, and other applicable provisions of Companies Act, 2013 and pursuant to Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and other applicable provisions of Listing Regulations, subject to articles of Association of the Company, the consent of the members be and is hereby accorded for revision of the terms of remuneration of Mr. Ande Srinivas Reddy (DIN: 03169721) with effect from 1st June, 2023 for the remaining term of his appointment i.e till 31st March, 2026 and be re-designated as Whole-time Director and CFO of the Company as recommended by Nomination and Remuneration Committee with the following terms and conditions:

I. Salary: ₹4,00,000/- p.m.

II. Perquisites:

- a) Premium on Personal Accident Insurance and premium on Mediciam policy for self and family not exceeding ₹50,000/-Per annum. For the purpose of this category, ‘Family’ means spouse, dependent children and dependent parents.
- b) Use of Company Car with Driver.
- c) Mobile Phone Facilities.
- d) Telephone and internet facilities at residence.
- e) Provident fund: Company’s contribution to provident fund not exceeding 20 % of basic salary.
- f) Gratuity payable at a rate not exceeding half a month’s salary for each completed year of service.

- g) The Whole-time Director & CFO will be eligible for an annual increment of ₹10,000/- p.m. The first annual increment shall accrue to him on 1st April, 2024.
- h) The Whole-time Director & CFO shall be entitled to be reimbursed in respect of all expenses incurred by him (including traveling, entertainment, etc.) for and on behalf of the Company during the course of business.

Commission on Profits: Up to 3% of the net profits of the year as computed according to the Companies Act, 2013.

III. Overall remuneration:

The overall remuneration (i.e. salary, perquisites and commission) in any one financial year shall not exceed 3% of the net profits or any such higher limits prescribed from time to time under section 197 read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) along with the schedule V of the Companies Act 2013 as may for the time being, be in force and any amendments thereto. In case of any doubts /discrepancy /clarification that may arise with respect to payment of remuneration the same shall be determined and decided by the Nomination and Remuneration Committee. Further, within the overall remuneration, the individual components may be changed as desired by Mr. Ande Srinivas Reddy and accepted by the Nomination and Remuneration Committee.

IV. Minimum remuneration:

In the event of inadequacy or absence of profits in any financial year, during the currency of the tenure of his office, he shall be paid the above remuneration, as minimum remuneration subject to the ceiling mentioned in Schedule V of the Companies Act 2013 from time to time.

**By Order of the Board
For Balaji Amines Limited**

Sd/-
Lakhan Dargad
Company Secretary & Compliance Officer
ICSI Membership No. A52571

Date: 20th May, 2023
Place: Solapur

NOTES FOR MEMBERS

1. Pursuant to the Circular No. 14/2020 dated 8th April, 2020, Circular No.17/2020 dated 13th April, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated 5th May, 2020 and Circular No. 02/2021 dated 13th January, 2021, Circular No. 21/2021 dated 14th December, 2021, Circular No. 3/2022 dated 5th May, 2022, General Circular No 10/2022 dated 28th December, 2022 & General Circular No 11/2022 dated 28th December, 2022 and Circular dated 12th May, 2020, 15th January, 2021, 13th May, 2022 and 5th January, 2023 issued by the Securities and Exchange Board of India and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address to suryacorporatelawyer@gmail.com or cs@balajiamines.com with a copy marked to evoting@nsdl.co.in
3. The Explanatory Statement as required under Section 102 of the Companies Act, 2013 is annexed hereto.
4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
5. The Register of Members and Transfer Books of the Company will be closed from Tuesday, 4th July, 2023 to Monday, 10th July, 2023 (both days inclusive).
6. Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further pursuant to the provisions of Section 124 of the

Companies Act, 2013 read with IEPF Rules, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

In accordance with the aforesaid IEPF Rules, the Company has also published notice in newspapers regarding proposed transfer of shares to IEPF Authority. The shareholders whose dividend/shares is/will be transferred to the IEPF Authority can claim the same from the IEPF Authority by following the procedure as detailed on the website of IEPF Authority www.iepf.gov.in

Members who have not yet encashed the dividend warrants from the financial year ended 31st March 2016 onwards are requested to forward their claims to the Company's Registrar and Share Transfer Agents without any further delay. It is in Members' interest to claim any un-encashed dividends and for future, opt for Electronic Clearing Service, so that dividends paid by the Company are credited to the Members' account on time.

It may be noted that once the unclaimed dividend is transferred to IEPF as above, no claim shall rest with the Company in respect of such amount. It may also be noted that the unclaimed dividend amount which was lying with the Company upto and in respect of the year ended on 31st March 2015, have already been transferred to IEPF. The details of the unclaimed dividends are available on the Company's website at www.balajiamines.com/investorrelations and on the website of Ministry of Corporate Affairs at www.mca.gov.in. Members are requested to contact the Company's Registrar and Share Transfer Agent or the Company to claim the unclaimed/unpaid dividends.

7. Members can avail the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to RTA of the Company. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.
8. The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the Depositories and the bank account details maintained by the Registrar and Transfer Agents for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through the Electronic Clearing Service (ECS)/National Electronic Clearing Service (NECS)/Real Time Gross Settlement (RTGS)/Direct Credit, etc. As directed by SEBI, the Members holding shares in physical form are requested to submit particulars of their bank account



along with the original cancelled cheque bearing the name of the Member to RTA/Company to update their Bank Account details. Members holding shares in demat form are requested to update their Bank Account details with their respective Depository Participant.

9. With the reference to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_PoD-1/P/CIR/2023/37 dated March 16, 2023, SEBI has made it mandatory to furnish PAN, email address, mobile number, bank account details and nomination by holders of physical securities. This is applicable for all the security holders in physical mode. The salient features and requirements of the circular are as follows:

- Shareholders holding shares in physical mode are requested to ensure that their PAN is linked to Aadhar by June 30, 2023 or any other date as may be specified by the Central Board of Direct Taxes to avoid freezing of folio.
- The RTAs shall not process any service requests or complaints received from the holder(s) / claimant(s), till PAN, KYC and Nomination documents/details are received.
- Folios wherein any one of the said document / details are not available on or after October 01, 2023, shall be frozen and you will not be eligible to lodge grievance or avail service request from the RTA and not eligible for receipt of dividend in physical mode after April 01, 2024.
- After December 31, 2025, the frozen folios shall be referred by RTA/Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002.

In view of the above, members holding shares in physical form are requested to send self-attested copy of valid PAN card (linked with Aadhar) or latest Demat account CML copy duly attested by DP, KYC details duly mentioned in ISR – 1 form (mobile number and email id are mandatory), ISR-2 form and Nominee Form (SH-13) immediately to the Company's Registrars & Transfer Agents i.e. M/s. Venture Capital and Corporate Investments Private Limited ("the RTA") by post or courier. The required forms (ISR-1, ISR-2, SH-13 etc.) can be downloaded from www.vccipl.com or send a request mail to investor.relations@vccipl.com for soft copy forms.

10. Members please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate, claim from unclaimed dividend account, exchange of securities certificate, sub-division of securities certificate, consolidation of securities certificates/folios, transmission and transposition and such

other reports. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise the shares held by them in physical form.

11. Pursuant to Sections 101 and 136 of the Companies Act, 2013 read with the Rules framed thereunder and the MCA Circulars, the Notice calling the Annual General Meeting along with the Annual Report 2022-23 would be sent by electronic mode to those Members whose e-mail addresses are registered with the Depository or the Company/RTA, unless the Members have requested for a physical copy of the same. Members are requested to support this Green Initiative by registering/updating their e-mail addresses with the Depository Participant (in case of Shares held in dematerialised form) or with RTA (in case of Shares held in physical form). For any communication, the Members may also send requests to the Company's email id: cs@balajiamines.com.
12. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.balajiamines.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
13. Those members whose email IDs are not registered, are requested to register their email ID with Registrar & Share Transfer Agent i.e. info@vccipl.com (R&TA) by writing an email either to the R&TA at info@vccipl.com or to the Company at cs@balajiamines.com carrying the following details :
 - a. Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN and AADHAR (self-attested scanned copy of both PAN card and Aadhar card) Name as registered with the R&TA,
 - b. Address, email, Copy of PAN, DPID/Client ID or Folio Number, Number of shares held.
 - c. To update bank account details, please send the following additional documents/ information followed by the hard copies:
 - i. Name of the bank and branch address,
 - ii. Type of bank account i.e., savings or current,
 - iii. Bank account no. allotted after implementation of core banking solutions,
 - iv. 9-digit MICR code no., and 11-digit IFSC code
 - v. Original cancelled cheque bearing vi. the name of the first shareholder, failing which a copy of the bank passbook / statement attested by a bank

- d. Members holding in DEMAT Mode, please contact your DP and follow the process advised by your DP.
14. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, etc., to their DPs if the shares are held by them in electronic form and to RTA if the shares are held by them in physical form.
15. The Company has fixed Monday, 3rd July, 2023 as the 'Record Date' for determining entitlement of members to dividend for the Financial Year ended March 31, 2023, if approved at the AGM.
16. All other documents referred to in the Explanatory Statement along with Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, are available for inspection at the registered office of the Company. Alternatively, members can reach out to cs@balajiamines.com
17. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated 08th April, 2020 and MCA Circular No. 17/2020 dated 13th April, 2020, MCA Circular No. 20/2020 dated 05th May, 2020 and MCA Circular No. 2/2021 dated 13th January, 2021, Circular No. 21/2021 dated 14th December, 2021 and Circular No. 3/2022 dated 5th May, 2022, General Circular No 10/2022 dated 28th December, 2022 & General Circular No 11/2022 dated 28th December, 2022 and Circular dated 12th May, 2020, 15th January, 2021, 13th May, 2022 and 5th January, 2023 issued by the Securities and Exchange Board of India.
18. Members desirous of getting any information about the annual accounts and / or operations of the company are requested to write to the company at least seven days before the date of the Meeting to enable the company to keep the information ready at the Meeting.
19. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
20. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
21. Additional information pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Secretarial Standards on general meetings, information in respect of seeking appointment/re-appointment at the Annual General Meeting is furnished in the annexure and forms part of the notice. The Directors have furnished the requisite consent / declaration for their appointment / re-appointment.
22. Members are requested to:-
- intimate to RTA, changes, if any, in their registered addresses at an early date, in case of shares held in physical form;
 - intimate to the respective Depository Participant, changes, if any, in their registered addresses at an early date, in case of shares held in dematerialised form;
 - quote their folio numbers/Client ID/DP ID in all correspondence;
 - Consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names; and
 - register their Permanent Account Number (PAN) with their Depository Participants, in case of Shares held in dematerialised form and RTA/ Company, in case of Shares held in physical form, as directed by SEBI.
23. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders with effect from April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).
- A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to cs@balajiamines.com by 11:59 P.M. IST on 10th July, 2023. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.
- Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to cs@balajiamines.com. The aforesaid declarations and documents need to be submitted by the shareholders on or before 10th July, 2023.



24. Instructions for e-voting and joining the AGM are as follows:

A. VOTING THROUGH ELECTRONIC MEANS

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on Resolutions proposed to be considered at the 35th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the 35th Annual General Meeting (AGM) ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The remote e-voting period begins on Friday, 7th July, 2023 at 9:00 A.M. and ends on Sunday, 9th July, 2023 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Monday, 3rd July, 2023, may cast their vote electronically.

- III. Mr. Y. Suryanarayana, Advocate, High Court of Telangana has been appointed as the Scrutinizer by the Board of Directors to scrutinize the e-voting process in a fair and transparent manner.
- IV. The members who have cast their vote by remote e-voting prior to the 35th Annual General Meeting (AGM) may also attend the 35th Annual General Meeting (AGM) though VC/OAVM but shall not be entitled to cast their vote again.
- V. The voting rights of shareholders shall be in proportion to their shares on the paid-up equity share capital of the Company as on the cut-off date for e-voting.
- VI. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. Monday, 3rd July, 2023, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or info@vccilindia.com. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

How do I vote electronically using the NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

STEP 1: ACCESS TO NSDL E-VOTING SYSTEM

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp |

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. |

NSDL Mobile App is available on

 App Store

 Google Play



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| Individual Shareholders holding securities in demat mode with CDSL | <ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. |
|--|--|

| | |
|--|--|
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
|--|--|

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022-48867000 and 022-24997000 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 |



B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|---|
| a) For Members who hold shares in demat account with NSDL | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****. |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email IDs are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

STEP 2: CAST YOUR VOTE ELECTRONICALLY AND JOIN GENERAL MEETING ON NSDL E-VOTING SYSTEM.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by e-mail to suryacorporatelawyer@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call at 022-48867000 and 022-24997000 or send a request to at evoting@nsdl.co.in.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to cs@balajiamines.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to cs@balajiamines.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.



B. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see the "VC/OAVM link" placed under the "Join meeting" menu against the company name. You are requested to click on VC/OAVM link placed under the Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of the Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use the Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cs@balajiamines.com. The same will be replied by the company suitably.
6. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by

sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at cs@balajiamines.com from 4th July, 2023 to 6th July, 2023. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Other Instructions

7. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting (votes cast during the AGM and votes cast prior to AGM) and within two working days of conclusion of the AGM, make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
8. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.balajiamines.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.

The recorded transcript of the 35th AGM shall also be made available on the website of the Company at <http://www.balajiamines.com> in the Investor's section, as soon as possible after the AGM is over.

**By Order of the Board
For Balaji Amines Limited**

Sd/-

**Lakhan Dargad
Company Secretary & Compliance Officer
ICSI Membership No. A52571**

Date: 20th May, 2023
Place: Solapur

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

ITEM NO. 4

The Board of Directors in their meeting held on 20th May, 2023, upon the recommendation of the Audit Committee, approved the re-appointment of Mr. Narayan D. Dontul, Cost Accountants, Solapur (FRN No. 100224) as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the Financial Year 2023-24 at a remuneration of ₹75,000/- (Rupees Seventy Five Thousand only) (plus Goods and Services Tax and reimbursement of out of pocket expenses) subject to ratification in this Annual General Meeting.

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Members of a Company are required to ratify the remuneration to be paid to the cost auditors of the Company. Therefore, the Board proposes to ratify the remuneration to be paid to the Cost Auditors of the Company for the Financial Year 2023-24.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No.4 of the Notice for ratification of the remuneration payable to the Cost Auditors for conducting the audit of the cost records of the Company for the Financial Year ending 31st March, 2024.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise in the Resolution set out at Item No. 4 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval of the Members.

ITEM NO. 5

The Board of Directors in their meeting held on 20th May, 2023 has appointed Dr. Suhasini Yatin Shah (DIN: 02168705) as an Additional Director of the Company in the category of Independent Director, on recommendation of the Nomination and Remuneration Committee, who shall hold office till the ensuing Annual General Meeting of the Company. The Board further proposed her appointment as an Independent Director of the Company for a period of 5 consecutive years commencing from 20th May, 2023 upto 19th May, 2028. The Company has received notice in writing under section 160 of the Act, proposing the candidature of Dr. Suhasini Yatin Shah for the office of Independent Director of the Company.

Dr. Suhasini Yatin Shah, aged 57 years, holds a bachelor's degree in law, a bachelor's degree in medicine and a bachelor's degree in surgery from Shivaji University, Kolhapur. She has a post graduate diploma in medico legal systems from the Symbiosis Centre of Health Care, Pune and has participated in a programme on small and medium enterprises at Indian Institute of Management, Ahmedabad. She was

a founder of Precision Camshafts Limited and has been associated with Precision Camshafts Limited since 1992.

Dr. Suhasini Yatin Shah has given a declaration to the Board that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In terms of Schedule IV and proviso to sub-section (5) of Section 152, the Board of Directors are of the opinion that Dr. Suhasini Yatin Shah fulfills the conditions specified in the Act, for her appointment as an Independent Director of the Company.

Details of directorships and other details of Dr. Suhasini Yatin Shah as required as per Secretarial Standards and Regulation 36 of the Listing Regulations and Secretarial Standards of Institute of Company Secretaries of India are furnished as annexure to this Notice.

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

As per the provisions of Section 161 of Companies Act, 2013, term of appointment of Additional Director shall be up to the date of ensuing Annual General Meeting of the Company and as per the provisions of Regulation 17(1)(1C) of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015, the listed entity shall ensure that approval of shareholders for appointment or re-appointment of a person on the Board of Directors or as a manager is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

Accordingly, the Board of Directors recommend the resolution set out at Item No. 5 of the Notice for approval of members by way of a Special Resolution.

ITEM NO.6

The Board of Directors in their meeting held on 20th May, 2023 has appointed Dr. Uma Rajiv Pradhan (DIN: 10096017) as an Additional Director of the Company in the category of Independent Director, on recommendation of the Nomination and Remuneration Committee, who shall hold office till the ensuing Annual General Meeting of the Company. The Board further proposed her appointment as an Independent Director of the Company for a period of five consecutive years commencing from 20th May, 2023 upto 19th May, 2028. The Company has received notice in writing under section 160 of the Act, proposing the candidature of Dr. Uma Rajiv Pradhan for the office of Independent Director of the Company.



Dr. Uma Rajiv Pradhan, aged 68 years, holds a Degree in Master of Surgery in Ophthalmology from Shivaji University, Kolhapur and Diploma in Ophthalmic Medicine and Surgery from C.P.S. BOMBAY and holds Fellowship from College of Physicians and Surgeons, Bombay and also holds Diplomate of National Board (D.N.B.) from National Board, Delhi. She is a Practising Eye Surgeon. She owns and operates Pradhan Eye Hospital & Lasik Laser Center in Solapur and has been practicing for more than 3 decades. She has demonstrated her professional Services in diverse facets of operational and management of the hospital and social service.

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

Details of directorships and other details of Dr. Uma Rajiv Pradhan as required as per Secretarial Standards and Regulation 36 of the Listing Regulations and Secretarial Standards of Institute of Company Secretaries of India are furnished as annexure to this Notice.

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

As per the provisions of Section 161 of Companies Act, 2013, term of appointment of Additional Director shall be up to the date of ensuing Annual General Meeting of the Company and as per the provisions of Regulation 17(1)(1C) of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015, the listed entity shall ensure that approval of shareholders for appointment or re-appointment of a person on the Board of Directors or as a manager is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

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

ITEM NO. 7

The Board of Directors in their meeting held on 20th May, 2023 has appointed Mr. Mohan Kumar Ramakrishna (DIN: 10168247) as an Additional Director of the Company in the category of Independent Director on recommendation of the Nomination and Remuneration Committee, who shall hold office till the ensuing Annual General Meeting of the Company. The Board further proposed his appointment as an Independent Director of the Company for a period of five consecutive years commencing 20th May, 2023 upto 19th May, 2028. The Company has received notice in writing under section

160 of the Act, proposing the candidature of Mr. Mohan Kumar Ramakrishna for the office of Independent Director of the Company.

Mr. Mohan Kumar Ramakrishna, aged 63 years, holds a Degree of Master of Commerce and Degree of Master of Law from Osmania University and is Retired from Indian Revenue Service as an Additional Commissioner of Income Tax. Presently, he is associated as Partner in SK & SK Associates, Tax Consultants & Advocates at Hyderabad. He has varied experience in taxation, finance, operations and management.

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

Details of directorships and other details of Mr. Mohan Kumar Ramakrishna as required as per Secretarial Standards and Regulation 36 of the Listing Regulations and Secretarial Standards of Institute of Company Secretaries of India are furnished as annexure to this Notice.

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

As per the provisions of Section 161 of Companies Act, 2013, term of appointment of Additional Director shall be up to the date of ensuing Annual General Meeting of the Company and as per the provisions of Regulation 17(1)(1C) of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015, the listed entity shall ensure that approval of shareholders for appointment or re-appointment of a person on the Board of Directors or as a manager is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

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

ITEM NO. 8

The Board of Directors in their meeting held on 20th May, 2023 has appointed Mr. Adabala Seshagiri Rao (DIN: 09608973) as an Additional Director of the Company in the category of Independent Director on recommendation of the Nomination and Remuneration Committee, who shall hold office till the ensuing Annual General Meeting of the Company. The Board further proposed his appointment as an Independent Director of the Company for a period of five consecutive years commencing 20th May, 2023 upto 19th May, 2028. The Company has received notice in writing under section 160 of the Act, proposing

the candidature of Mr. Adabala Seshagiri Rao for the office of Independent Director of the Company.

Mr. Adabala Seshagiri Rao, aged 62 years, holds a Degree of Bachelor of Science and Degree of Bachelor of Law from Andhra University. He holds a diploma in Industrial Relations & Personnel Management and Diploma in Marketing & Sales Management from the Bharatiya Vidya Bhavan. He is a Certified Associate of Indian Institute of Bankers (CAIIB Retail Banking examination) from the Institute of Banking & Finance.

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

Details of directorships and other details of Mr. Adabala Seshagiri Rao as required as per Secretarial Standards and Regulation 36 of the Listing Regulations and Secretarial Standards of Institute of Company Secretaries of India are furnished as annexure to this Notice.

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

As per the provisions of Section 161 of Companies Act, 2013, term of appointment of Additional Director shall be up to the date of ensuing Annual General Meeting of the Company and as per the provisions of Regulation 17(1)(1C) of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015, The listed entity shall ensure that approval of shareholders for appointment or re-appointment of a person on the Board of Directors or as a manager is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

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

ITEM NO 9:

The Board of Directors based on the recommendation of Nomination and Remuneration Committee, in their Meeting held on 20th May, 2023, pursuant to provisions of Section 196, 197 read with Schedule V of the Companies Act, 2013, have considered and approved the revision of the terms and conditions of remuneration payable to Mr. Ande Prathap Reddy (DIN: 00003967), Executive Chairman of the Company with effect from 1st June, 2023 till remaining tenure of his appointment i.e. 31st March, 2026.

Mr. Ande Prathap Reddy, aged 72 years, holds a diploma in civil engineering from the State Board of Technical Education and Training. In the year 1988, he incorporated Balaji Amines Limited for manufacturing and exporting of specialty chemicals, aliphatic amines and derivatives. He has been spearheading the growth of the Company and played a key role at every stage and phase of development and decision making. His vision, guidance, dynamism, and efforts have taken the Company to new heights and to the next level of growth.

Details of directorships and other details of Mr. Ande Prathap Reddy as required as per Secretarial Standards and Regulation 36 of the Listing Regulations and Secretarial Standards of Institute of Company Secretaries of India are furnished as annexure to this Notice.

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

Any change in the terms of appointment of managerial persons shall require approval of shareholders in the next General Meeting of the Company.

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

ITEM NO 10:

The Board of Directors based on the recommendation of Nomination and Remuneration Committee, in their Meeting held on 20th May, 2023, pursuant to provisions of Section 196, 197 read with Schedule V of the Companies Act, 2013, have considered and approved the revision of the terms and conditions of remuneration payable to Mr. Dundurapu Ram Reddy (DIN: 00003864), Managing Director of the Company with effect from 1st June, 2023 till remaining tenure of his appointment i.e. 31st March, 2026.

Mr. Dundurapu Ram Reddy, aged 62 years, having more than 35 years of experience in the procurement of raw materials, marketing, sales and general administration of various businesses. He joined Bharat Cement Pipe Industries, Hyderabad as Manager in 1980. In 1985, he promoted Balaji Cement Products Private Limited and successfully managed the Company before joining Balaji Amines as Director in 1988. He is responsible for the procurement, marketing and logistics activities of the Company. He has played a key role in establishing customer and supplier's relationship with leading buyers and suppliers of specialty chemicals both within the country and also abroad. He was instrumental in achieving first of its kind large scale supply contract arrangement with world's leading company in specialty chemicals.



Details of directorships and other details of Mr. Dundurapu Ram Reddy as required as per Secretarial Standards and Regulation 36 of the Listing Regulations and Secretarial Standards of Institute of Company Secretaries of India are furnished as annexure to this Notice

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

Any change in the terms of appointment of managerial persons shall require approval of shareholders in the next General Meeting of the Company.

Accordingly, the Board of Directors recommend the resolution set out at Item No. 10 of the Notice for approval of members by way of a Special Resolution.

ITEM NO 11

The Board of Directors based on the recommendation of Nomination and Remuneration Committee, in their Meeting held on 20th May, 2023, pursuant to provisions of Section 196, 197 read with Schedule V of the Companies Act, 2013, have considered and approved the revision of the terms and conditions of remuneration payable to Mr. Rajeshwar Reddy Nomula (DIN: 00003854) with effect from 1st June, 2023 till remaining tenure of his appointment i.e. 31st March, 2026 and re-designated as Whole-time Director of the Company with effect from 20th May, 2023.

Mr. Rajeshwar Reddy Nomula, aged 68 years, is a commerce graduate having more than four decades of experience spread across different Industries. He started his career as a Manager in Bharat Cement Pipe Industries in 1976 and in 1982, he founded Bhagyanagar Potteries and managed the unit till 1985. In 1985, he joined Balaji Cement Products Private Limited as Executive director and successfully implemented the project, before joining Balaji Amines Limited as Director in 1988. He is responsible for the day to day operations at the plants in Solapur. He has been instrumental in executing the projects in time with lowest cost of investments well within time schedules.

Details of directorships and other details of Mr. Rajeshwar Reddy Nomula as required as per Secretarial Standards and Regulation 36 of the Listing Regulations and Secretarial Standards of Institute of Company Secretaries of India are furnished as annexure to this Notice.

Except Mr. Rajeshwar Reddy Nomula, Whole-time Director and his relatives, none of the other Directors and Key Managerial Personnel of the Company, or their relatives, are concerned or interested financially or otherwise in this resolution.

Any change in the terms of appointment of managerial persons shall require approval of shareholders in the next General Meeting of the Company.

Accordingly, the Board of Directors recommend the resolution set out at Item No. 11 of the Notice for approval of members by way of a Special Resolution.

ITEM NO 12

The Board of Directors based on the recommendation of Nomination and Remuneration Committee, in their Meeting held on 20th May, 2023, pursuant to provisions of Section 196, 197, 203 read with Schedule V of the Companies Act, 2013, have considered and approved the revision of the terms and conditions of remuneration payable to Mr. Ande Srinivas Reddy (DIN: 03169721) with effect from 1st June, 2023 till remaining tenure of his appointment i.e. 31st March, 2026 and re-designated as Whole-time Director and CFO of the Company with effect from 20th May, 2023.

Mr. Ande Srinivas Reddy, aged 48 years, is a Post Graduate in Computer Science and completed Executive Management Programme at Indian School of Business (ISB), Hyderabad. He started his career in one of the largest management consulting firm in USA, Capgemini as a Management Consultant and worked in various capacities in different countries. He has been on the board of Balaji Amines Limited since 2013. Mr. Ande Srinivas Reddy is responsible for New Projects/ Expansion Projects along with New Technologies and processes of the Company. He will be handling the position of CFO and Whole-time Director from now onwards.

Details of directorships and other details of Mr. Ande Srinivas Reddy as required as per Secretarial Standards and Regulation 36 of the Listing Regulations and Secretarial Standards of Institute of Company Secretaries of India are furnished as annexure to this Notice.

Except Mr. Ande Srinivas Reddy, Whole-time Director & CFO and his relatives, none of the other Directors and Key Managerial Personnel of the Company, or their relatives, are concerned or interested financially or otherwise in this resolution.

Any change in the terms of appointment of managerial persons shall require approval of shareholders in the next General Meeting of the Company.

Accordingly, the Board of Directors recommend the resolution set out at Item No. 12 of the Notice for approval of members by way of a Special Resolution.

**By Order of the Board
For Balaji Amines Limited**

Sd/-

**Lakhan Dargad
Company Secretary & Compliance Officer
ICSI Membership No. A52571**

Date: 20th May, 2023
Place: Solapur

Details of Directors seeking appointment / re-appointment at the Annual General Meeting (Pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standards on General Meetings)

| S. No. | Particulars | Dr. Suhasini Yatin Shah | Dr. Uma Rajiv Pradhan |
|---------------|--|--|--|
| 1. | Date of Birth | 17 th August, 1965 | 21 st March, 1955 |
| 2. | Date of Appointment by the Board | 20 th May, 2023 | 20 th May, 2023 |
| 3. | Expertise in specific functional areas | She has over 26 years' experience in operational, finance and management | She has over 34 years' experience in operational and management of the hospital and social service |
| 4. | List of listed companies in which Directorship/ Committee position as on 31 st March, 2023 (other than the Company) | Precision Camshafts Limited – Non-Executive, Non-Independent Director | - |
| 5. | Listed entities from which resigned in the past three years | - | - |
| 6. | Chairman/Member of the Committees of the Board of the listed Companies on which he is a Director as on 31 st March, 2023 (other than the Company) | Chairperson of Stakeholders Relationship Committee of Precision Camshafts Limited | - |
| 7. | Shareholding in the Company | - | - |
| 8. | Relationship with other Directors/KMP | - | - |
| 9. | No. of Board Meetings attended in FY 2022-23 | - | - |
| 10. | The skills and capabilities required for the role and the manner in which the proposed person meets such requirements | The educational qualifications, expertise and vast experience of Dr. Suhasini Yatin Shah enables her to fulfil the role and discharge responsibilities as Independent Director | The educational qualifications, expertise and vast experience of Dr. Uma Rajiv Pradhan enables her to fulfil the role and discharge responsibilities as Independent Director |

| S. No. | Particulars | Mr. Mohan Kumar Ramakrishna | Mr. Adabala Seshagiri Rao |
|---------------|--|--|--|
| 1. | Date of Birth | 1 st January, 1960 | 28 th July, 1960 |
| 2. | Date of Appointment by the Board | 20 th May, 2023 | 20 th May, 2023 |
| 3. | Expertise in specific functional areas | He has over 39 years' experience in taxation, finance, operations and management. | He has over 34 years' experience in General Management, Banking and Financial Services. |
| 4. | List of listed companies in which Directorship/ Committee position as on 31 st March, 2023 (other than the Company) | - | - |
| 5. | Listed entities from which resigned in the past three years | - | - |
| 6. | Chairman / Member of the Committees of the Board of the listed Companies on which he is a Director as on 31 st March, 2023 (other than the Company) | - | - |
| 7. | Shareholding in the Company | - | - |
| 8. | Relationship with other directors/KMP | - | - |
| 9. | No. of Board Meetings attended in FY 2022-23 | - | - |
| 10. | The skills and capabilities required for the role and the manner in which the proposed person meets such requirements | The educational qualifications, expertise and vast experience of Mr. Mohan Kumar Ramakrishna enables him to fulfil the role and discharge responsibilities as Independent Director | The educational qualifications, expertise and vast experience of Mr. Adabala Seshagiri Rao enables him to fulfil the role and discharge responsibilities as Independent Director |



| S. No. | Particulars | Mr. Ande Prathap Reddy | Mr. Dundurapu Ram Reddy |
|--------|--|--|---|
| 1. | Date of Birth | 16 th May, 1951 | 20 th October, 1961 |
| 2. | Date of Appointment by the Board | 27 th October, 1988 | 15 th January, 1989 |
| 3. | Expertise in specific functional areas | He has more than 40 years of experience in technology and has been involved in process engineering and designing plants and sourcing equipment in the chemical industry. | He has more than 35 years of experience in the procurement of raw materials, marketing, sales and general administration of various businesses. |
| 4. | List of listed companies in which Directorship/ Committee position as on 31 st March, 2023 (other than the Company) | - | - |
| 5. | Listed entities from which resigned in the past three years | - | - |
| 6. | Chairman / Member of the Committees of the Board of the listed Companies on which he is a Director as on 31 st March, 2023 (other than the Company) | - | - |
| 7. | Shareholding in the Company | 49,69,709 Equity Shares | 4,74,855 Equity Shares |
| 8. | Relationship with other directors/KMP | Father of Mr. Ande Srinivas Reddy (Whole-time Director & CFO of the Company) and Uncle of Mr. Dundurapu Ram Reddy (Managing Director of the Company) | Nephew of Mr. Ande Prathap Reddy (Executive Chairman of the Company) and Cousin of Mr. Ande Srinivas Reddy (Whole-time Director & CFO of the Company) |
| 9. | No. of Board Meetings attended in FY 2022-23 | 4 out of 4 | 4 out of 4 |
| 10. | Terms and Conditions of Appointment with details of Remuneration | As enumerated in the resolution and explanatory statement | As enumerated in the resolution and explanatory statement |
| 11. | Last drawn remuneration (per annum) | ₹55,89,600/- | ₹47,67,600/- |

| S. No. | Particulars | Mr. Rajeshwar Reddy Nomula | Mr. Ande Srinivas Reddy |
|--------|--|---|--|
| 1. | Date of Birth | 2 nd February, 1955 | 10 th May, 1975 |
| 2. | Date of Appointment by the Board | 27 th October, 1988 | 11 th May, 2013 |
| 3. | Expertise in specific functional areas | He has more than 40 years of experience in the management and general administration of various businesses. | He has vast experience in Operations of Plants, Setting up Expansion of Projects and New Technologies and processes in Chemical Industry. |
| 4. | List of listed companies in which Directorship/ Committee position as on 31 st March, 2023 (other than the Company) | - | - |
| 5. | Listed entities from which resigned in the past three years | - | - |
| 6. | Chairman / Member of the Committees of the Board of the listed Companies on which he is a Director as on 31 st March, 2023 (other than the Company) | - | - |
| 7. | Shareholding in the Company | 5,94,993 Equity Shares | 16,94,097 Equity Shares |
| 8. | Relationship with other directors/KMP | - | Son of Mr. Ande Prathap Reddy (Executive Chairman of the Company) and Cousin of Mr. Dundurapu Ram Reddy (Managing Director of the Company) |
| 9. | No. of Board Meetings attended in FY 2022-23 | 4 out of 4 | 4 out of 4 |
| 10. | Terms and Conditions of Appointment with details of Remuneration | As enumerated in the resolution and explanatory statement | As enumerated in the resolution and explanatory statement |
| 11. | Last drawn remuneration (per annum) | ₹47,67,600/- | ₹42,74,400/- |

Director's Report

To
The Members,

Your Directors are pleased to present the 35th Annual Report together with the Audited Standalone and Consolidated Financial Statements of the Company for the year ended 31st March, 2023.

1. FINANCIAL RESULTS

(₹ in Lakhs)

| PARTICULARS | Standalone | | Consolidated | |
|--|--------------------|--------------------|--------------------|--------------------|
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| REVENUE FROM OPERATIONS | 1,72,628.31 | 1,92,066.56 | 2,35,539.56 | 2,32,288.36 |
| Other Income | 975.65 | 1,839.49 | 1,524.64 | 1,471.85 |
| Total Revenue | 1,73,603.95 | 1,93,906.05 | 2,37,064.20 | 2,33,760.21 |
| Total Expenses excluding Depreciation, Finance Cost and Tax Expenses | 1,39,667.06 | 1,47,971.09 | 1,74,628.17 | 1,70,021.50 |
| Profit before Depreciation, Finance Cost and Tax Expenses | 33,936.89 | 45,934.96 | 62,436.03 | 63,738.71 |
| Less: Depreciation | 3,126.24 | 2,916.85 | 4,557.34 | 4,199.86 |
| Profit before Finance Cost and Tax Expenses | 30,810.65 | 43,018.11 | 57,878.69 | 59,538.85 |
| Less: Finance Cost | 273.35 | 704.08 | 1,197.17 | 1,710.03 |
| Profit before Tax | 30,537.31 | 42,314.03 | 56,681.52 | 57,828.82 |
| Current Tax | 7,838.28 | 11,522.74 | 16,072.72 | 15,888.28 |
| Adjustment of earlier years' Tax | (55.18) | (2.81) | 40.50 | 150.47 |
| Total Tax | 7,783.09 | 11,519.93 | 16,113.22 | 16,038.75 |
| Profit after Tax | 22,754.22 | 30,794.10 | 40,568.30 | 41,790.07 |
| Other Comprehensive Income | (16.36) | - | (22.82) | - |
| Total Comprehensive Income | 22,737.86 | 30,794.10 | 40,545.48 | 41,790.07 |
| (a) Shareholders of the Company | 22,737.86 | 30,794.10 | 32,551.96 | 36,841.88 |
| (b) Non-controlling interests | - | - | 8,016.34 | 4,948.19 |
| Less : Transfer to Reserves | 2,275.42 | 3,078.70 | 2,275.42 | 3,078.70 |
| Balance | 20,462.44 | 27,715.40 | 30,276.56 | 33,763.18 |
| Balance of profit of earlier years | 1,04,905.04 | 78,485.68 | 1,10,651.06 | 78,183.92 |
| Add(Less): Final Dividend Paid, Other Comprehensive income net of taxes etc. | (1,944.06) | (1,296.04) | (2,113.36) | (1,296.04) |
| Balance Carried Forward | 1,23,423.42 | 1,04,905.04 | 1,38,814.26 | 1,10,651.06 |

2. PERFORMANCE HIGHLIGHTS

Your company has achieved a Gross Income of ₹1,73,603.95 Lakhs on standalone basis during the financial year 2022-23. The Profit After Tax for the year stood at ₹22,754.22 Lakhs.

Further details of operations are given in the Management Discussion and Analysis Report which forms part of this report.

3. DIVIDEND

During the Financial Year, based on the Company's performance, the Board of Directors have declared dividend of ₹10/- each per equity share at 500% of the face value of ₹2/- each, if approved by the Members would involve a cash outflow of ₹3,240.10 lakhs. Pursuant to Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has framed a Dividend Distribution Policy and the same is herewith annexed as 'Annexure I' to this report. The Dividend



Distribution Policy is posted on the website of the Company at <http://www.balajiamines.com/pdf/1663741568DDP.pdf>

4. TRANSFER TO RESERVES

The Company proposes to transfer a sum of ₹2,275.42 lakhs to the General Reserves. An amount of ₹18,518.38 Lakhs is proposed to be retained in the statement of profit and loss.

5. SUBSIDIARIES

Balaji Speciality Chemicals Limited (BSCL) is the only Subsidiary of the Company. BSCL is engaged in Manufacturing of Ethylenediamine (EDA), Piperazine (Anhydrous), Aminoethylpiperazine (AEP) and Diethylene triamine (DETA) and other Specialty Chemicals.

During the period under review, BSCL has filed the draft Red Herring Prospectus with SEBI for Initial Public Offering of Equity Shares on 10th August, 2022 and subsequently obtained in-principle approvals from both the Stock Exchanges (i.e BSE and NSE) and received the final observations for filing of Updated Draft Red Herring Prospectus with SEBI.

6. CONSOLIDATED FINANCIAL STATEMENTS

As required pursuant to the provisions of Section 129 of the Companies Act, 2013, and the Securities and Exchange Board of India (Listing Regulations and Disclosure Requirements) Regulations, 2015, the Consolidated Financial Statements of the Company are prepared in accordance with the Indian Accounting Standards (Ind-AS) issued by the Institute of Chartered Accountants of India on the basis of the Audited Financial Statements of the Company and its Subsidiary.

As per the provisions of Section 136 of the Companies Act, 2013, the Company will also place separate audited accounts of its Subsidiaries on its website. The audited financial statements of the subsidiary are available on the website of the Company at <http://www.balajiamines.com/investor-relations>.

The Statement containing salient features of the financial statements of the subsidiaries in Form AOC-1 is attached as 'Annexure II' to this Annual Report.

7. CREDIT RATING

The Credit Rating of the Company is affirmed during the year as "IND AA/ Stable/INDA1+" by India Ratings and Research Private Limited.

8. DETAILS OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE FINANCIAL YEAR

During the Financial Year 2022-23, no company ceased to be a subsidiary of the company and your company does not have any associates or joint ventures.

9. DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE FINANCIAL YEAR

The constitution of the Board is in Compliance with the provisions of Section 149 of the Companies Act, 2013, and the Listing Regulations.

During the year 2022-23, there were no changes in the directors or key managerial personnel of the Company.

However, after the financial year following changes took place in the office of directors and key managerial personnel of the Company:

Mr. Hemanth Reddy Gaddam, Whole-time Director & CFO who has been designated as a Whole-time Director in Balaji Speciality Chemicals Limited, a subsidiary company has demitted from the office of Whole-time Director & CFO of the Company with effect from closing hours on 20th May, 2023.

Mr. Naveena Chandra Thammishetty, Mr. Amarendra Reddy Minupuri, Mr. Satyanarayana Murthy Chavali, Mr. Kashinath Revappa Dhole and Mrs. Vimala Behram Madon resigned from the office of Independent Director of the Company with effect from closing hours on 20th May, 2023.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on 20th May, 2023, appointed Dr. Suhasini Yatin Shah, Dr. Uma Rajiv Pradhan, Mr. Mohan Kumar Ramakrishna and Mr. Adabala Seshagiri Rao as Additional Directors under the Category of Independent Directors of the Company for a period of 5 years subject to the approval of members at this 35th Annual General Meeting of the Company.

Mr. Ande Srinivas Reddy, Whole-time Director retires by rotation and being eligible, offers himself for re-appointment at the 35th Annual General Meeting of the Company.

10. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company confirming that they fulfill the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

11. MEETINGS

During the year, four meetings of the Board of Directors were held, as more particularly disclosed in the attached Report on Corporate Governance. The intervening gap between any two meetings was within the prescribed period.

The number and dates of meetings held by the Board and its Committees, attendance of Directors and details of remuneration paid to them is given separately in the Report on Corporate Governance in terms of Section 134(3) (b) of the Companies Act, 2013.

None of the Directors are disqualified under Section 164(2) of the Act. Certificate on non-disqualification, as required under Regulation 34 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 is annexed to the Report on Corporate Governance.

Committees of the Board

Details of committees of the Board, their composition and other details are provided in the Report on Corporate Governance, which forms part of this annual report.

Meetings of Independent Directors

As stipulated by the Code of Independent Directors under the Act and the Listing Regulations, one meeting of Independent Directors was held during the year. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole, reviewed the performance of the Chairman of the Company.

12. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and regulations contained in the chapters of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance by the Directors individually (including Independent Directors) as well as the evaluation of the working of its Audit, Nomination and Remuneration and other Committees.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgments, safeguarding the interest of the Company.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

Familiarization program for Independent Directors

The Company familiarizes its Independent Directors pursuant to the requirements of the Listing Regulations with their roles, rights and responsibilities in the Company. The details of the familiarization programme imparted to Independent Directors of the Company during Financial Year 2022-23 are available on the website of the Company at <http://www.balajiamines.com/pdf/1686306196Details%20of%20familiarisation%20Programme%20for%20Independent%20Directors.pdf>

It is the general practice of the Company to notify the changes in all the applicable laws from time to time in Board Meetings conducted.

13. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134 (5) of the Companies Act, 2013, your Directors confirm that, to the best of their knowledge and belief and according to the information and explanation available to them that-

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) such accounting policies as mentioned in the notes to the financial statements have been selected and applied consistently and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2022-23 and of the statement of profit of the Company for that period;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts for the year 2022-23 have been prepared on a going concern basis;
- (e) the proper internal financial controls are in place and that the financial controls were adequate and were operating effectively.
- (f) the proper systems have been devised to ensure compliance with the provisions of all applicable laws and were adequate and operating effectively mentioned under various heads of the departments which are in turn reporting to the Whole-time Directors.

14. RESEARCH & DEVELOPMENT

Your Company has been carrying out continuous Research and Development activities in the following areas:



- a) Adoption of advanced technology in recovering waste water has resulted in minimizing the impact on the environment and reiterated our focus on core principle of Reduce, Reuse and Recycle of all the resources.
- b) Several improvements in the ACETONITRILE plant have been initiated which have resulted in lower consumption coefficient and higher efficiency of plant operations.
- c) Backward & forward integration of products to improve value chain and better utilization of all the resources.
- d) Identification of new products and development activities of latest process technologies are continuously worked on.
- e) Continuous improvement of processes and fine tuning of process parameters to optimize utilization of energy, utilities & raw materials consumption and alternate routes are being looked at.
- f) For sustainable usage of natural resources, the Company has initiated various methods and Processes, equipments for reducing, reusing and recycling of various natural resources
- g) The R&D demonstration projects for the Manufacture of THF, NEM, NMM, NMMO and MIPA were undertaken during the year by your company.

15. EXPANSION/DIVERSIFICATION

- a) N Butylamines: The new expansion project works are progressing at brisk speed. The Plant is expected to be commissioned during the FY 2023-24
- b) Methylamines: The project implementation work is started. The project is likely to be commissioned around March -2024.
- c) Dimethyl Ether (DME): This project is newly proposed to be taken up in Unit -IV, Second Phase with an installed capacity of 1,00,000 MT PA. This is mainly used in the place of LPG either blended or directly. The expected commencement of commercial production is by end of FY 23-24.
- d) Dimethyl Formamide(DMF):The Company has obtained the environmental clearance for the capacity of 36,000 MT PA. The project will be implemented on the basis of market situation.
- e) Acetonitrile: The Company has obtained the environmental clearance for the capacity of 16,000 MT PA. The project will be implemented on the basis of market situation.
- f) All other expansion plans are in the final stages of order placement for plant & machinery for long delivery equipment.

16. CHANGE IN NATURE OF BUSINESS

There is no change in the nature of business during the year.

17. MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments, if any affecting the financial position of your Company which have occurred after the closure of the Financial Year 2022-23 till the date of this Report.

18. REMUNERATION POLICY

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors and Senior Management personnel and fix their remuneration. The Remuneration Policy is placed on the website of the Company at the link: www.balajiamines.com/investor-relations.

19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013, are given in the notes to the Financial Statements.

20. ANNUAL RETURN

Pursuant to the provisions of Section 92(3) of the Act, the Annual Return of the Company as on 31st March 2023 is available on the Company's website at www.balajiamines.com/investor-relations.

21. PARTICULARS OF EMPLOYEES

In term of the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in 'Annexure III' to this report.

22. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

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

23. STATUTORY AUDITORS

M/s. M. Anandam & Co., Chartered Accountants (Firm Registration No. 0001255), were appointed as Statutory Auditors

of the Company for a period of 5 years from the conclusion of 34th Annual General Meeting of the Company till the conclusion of 39th Annual General Meeting of the Company.

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

24. REPORTING OF FRAUDS

During the year under review, there was no instance of fraud, which required the Statutory Auditors to report to the Audit Committee and /or Board under Section 143(12) of the Companies Act, 2013 and the rules made thereunder.

25. INTERNAL AUDITORS

The Board of Directors based on the recommendation of the Audit Committee have appointed M/s. Aherkar & Co, Chartered Accountants, Solapur, as the Internal Auditors of your Company. The Internal Auditors are submitting their reports on a monthly basis.

26. COST AUDITORS

In accordance with Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014, the Audit Committee has recommended and the Board of Directors had appointed Mr. Narayan D. Dontul, Practicing Cost Accountants, Solapur, (FRN No. 100224) as Cost Auditors of the Company, to carry out the cost audit of the products manufactured by the Company during the financial year 2022-2023 on a remuneration of ₹75,000/- (Rupees Seventy Five Thousand only). The remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their approval. Accordingly, a Resolution seeking Members' approval for the remuneration payable to Mr. Narayan D. Dontul, Cost Accountants, is included at Item No. 4 of the Notice convening the Annual General Meeting.

27. SECRETARIAL AUDITORS & SECRETARIAL AUDIT REPORT

Pursuant to provisions of Section 204 of the Companies Act, 2013, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. P. S. Rao & Associates, Practicing Company Secretaries, to conduct Secretarial Audit for the financial year 2022-23. The Secretarial Audit Report, pursuant to Section 204(1) of the Companies Act, 2013, for the financial year ended 31st March, 2023 is given in 'Annexure IV' attached hereto and forms part of this Report.

The Secretarial Audit Report of Unlisted Material Subsidiary, Balaji Speciality Chemicals Limited issued by M/s. P. S. Rao & Associates, Practicing Company Secretaries is forming part of the Report on Corporate Governance.

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

As per Regulation 24A of the Listing Regulations, the Annual Secretarial Compliance Report issued by M/s. P.S. Rao & Associates, Practicing Company Secretaries pursuant to SEBI circular dated February 8, 2019 and is forming part of the Report on Corporate Governance.

28. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has formulated a Whistle Blower Policy in terms of Section 177 of the Companies Act, 2013, and as per Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 for the employees to report their grievances / concerns about instances of unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct by means of Protected Disclosure to the Authorized Officer or the Chairman of the Audit Committee.

The vigil mechanism / whistle blower policy may be accessed on the Company's website at the link: http://www.balajiamines.com/pdf/1644382399whistle_blower_policy_balajiamines_final.pdf.

29. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith as 'Annexure V'.

30. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY

All related party transactions that were entered into during the financial year were at an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.



During the year, all Related Party Transactions were placed before the Audit Committee and also to the Board for approval. Prior omnibus approval of the Audit Committee was obtained for the transactions which were of a foreseen and repetitive nature.

The Policy on Related Party Transactions as approved by the Board of Directors of the Company is uploaded on the website of the Company and the same can be accessed at the link: <http://www.balajiamines.com/pdf/1549342970Policy-on-Related-Party-Transactions.pdf>.

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013, in Form AOC-2 and disclosures under Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed as 'Annexure VI' to this report.

31. RISK MANAGEMENT

The Company has constituted a Risk Management Committee and formulated a policy on Risk Management in accordance with the Companies Act, 2013 and Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of the Committee and its terms of reference are set out in the Report on Corporate Governance forming part of the Board's Report. The Risk Management Policy of the Company is posted on the website of the Company and the web link: <http://www.balajiamines.com/pdf/1568700507Risk%20Managment%20Policy.pdf>.

32. CORPORATE SOCIAL RESPONSIBILITY

The Board in compliance with the provisions of Section 135(1) of the Companies Act, 2013, and rules made thereunder has constituted Corporate Social Responsibility (CSR) Committee. The details of the Committee and its terms of reference are set out in the Report on Corporate Governance forming part of the Board's Report. The CSR policy has been placed on the Website of the Company and can be accessed through the link: <http://www.balajiamines.com/pdf/1512734314Corporate%20social%20reponsibility%20Policy.pdf>. and a brief outline of the CSR Policy and the CSR initiatives undertaken by the Company during the year as per Annexure prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been appended as 'Annexure VII' to this Report.

33. FIXED DEPOSITS

Your Company has not accepted any fixed deposits and as such no principal or interest was outstanding as on the date of the Balance Sheet.

34. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S OPERATIONS IN FUTURE

There are no significant and material orders passed by the regulators or courts or tribunals that would impact the going concern status of the Company and its future operations.

35. MANAGEMENT DISCUSSION & ANALYSIS

The Management Discussion and Analysis as required under Schedule V of the Listing Regulations forms is shown in a separate section forming part of the Annual Report.

36. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

During the year under review, the Company has not filed any application or no proceeding is pending against the Company under the Insolvency and Bankruptcy Code, 2016.

37. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

During the year under review, the Company has not made any one-time settlement while taking any loans from the Banks or Financial Institutions.

38. COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, your Company has complied with the respective Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings, General Meetings and Dividend.

39. EMPLOYEE STOCK OPTIONS

The Company is yet to implement the ESOP Scheme.

40. BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT WITH ENVIRONMENT, SOCIAL & GOVERNANCE

Business responsibility & Sustainability reporting for the year under review, as stipulated under Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in a separate section forming part of the Annual Report.

41. CORPORATE GOVERNANCE

Your Company practices a culture that is built on core values and ethical governance practices and is committed to transparency in all its operations and activities. A Report on Corporate

Governance along with a Certificate from the Practising Company Secretaries of the Company regarding compliance with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to this Report.

42. HUMAN RESOURCES

Your Company considers its Human Resource as the major strength to achieve its objectives. Keeping this in view, your Company takes all the care to attract, train and retain well qualified and deserving employees. The employees are sufficiently empowered and enabled to work in an environment that inspires them to achieve higher levels of performance. The unflinching commitment of the employees is the driving force behind the Company's vision being accomplished.

43. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of

Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. This policy is placed on the Company's Website at <http://www.balajiamines.com/pdf/1645091304Anti%20Sexual%20Harassment%20Policy.pdf>.

The following is a summary of sexual harassment complaints received and disposed of during the year:

No. of Complaints received : Nil

No. of Complaints disposed off : Nil

44. LISTING WITH STOCK EXCHANGES

The Equity Shares of the Company are listed on NSE Limited and BSE Limited. The annual listing fees for the year 2023-24 have been paid to these exchanges.

45. ACKNOWLEDGMENT

Your Directors express their sincere appreciation to the customers, members, dealers, employees, bankers, State and Central Government, Stock Exchanges and all the stakeholders for their cooperation and confidence reposed in the Company.

For and on Behalf of the Board of Directors

Sd/-

Ande Prathap Reddy

Executive Chairman

DIN: 00003967

Date: 20th May, 2023

Place: Hyderabad



ANNEXURES TO THE DIRECTORS' REPORT

ANNEXURE-I

DIVIDEND DISTRIBUTION POLICY

1. BACKGROUND AND APPLICABILITY

The Dividend Distribution Policy (hereinafter referred to as the "Policy") has been developed in accordance with the applicable provisions of the Companies Act, 2013 and applicable SEBI regulations.

The Securities and Exchange Board of India ("SEBI") vide its Gazette Notification dated July 08, 2016 has amended the Listing Regulations by inserting Regulation 43A in order to make it mandatory to have a Dividend Distribution Policy in place by the top five hundred listed companies based on their market capitalization calculated as on the 31st day of March of every year and to disclose a Dividend Distribution Policy in the annual report and on the corporate website.

The Board of Directors (the "Board") of Balaji Amines Limited (the "Company") has adopted the Policy of the Company as required in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Company currently has only one class of shares, viz. equity, for which, this policy is applicable. The policy is subject to review if and when the Company issues different classes of shares.

2. DIVIDEND DISTRIBUTION PHILOSOPHY

The Company is committed to driving extraordinary value creation for all its stakeholders. The focus is to continue to provide sustainable returns, through an appropriate capital strategy for both medium term and longer term value creation. Accordingly, the Board would continue to adopt a progressive and dynamic dividend policy, ensuring immediate as well as long term needs of the business considering wealth maximisation as a philosophy.

3. DIVIDEND

Dividend represents part of the profits of the Company, which is distributed to shareholders in proportion to the amount paid-up on shares they hold. Dividend includes Interim Dividend.

The Dividend for any financial year shall normally be paid out of the Company's profits for that year. This will be arrived at after providing for depreciation in accordance with the provisions of the Companies Act, 2013. If circumstances require, the Board may also declare dividend out of accumulated profits of any previous financial year(s) in accordance with provisions of the Act and Regulations, as applicable.

4. CIRCUMSTANCES UNDER WHICH SHAREHOLDERS CAN EXPECT DIVIDEND

The Board will assess the Company's financial requirements, including present and future organic and inorganic growth opportunities and other relevant factors (as mentioned elsewhere in this policy) and declare Dividend in any financial year.

Notwithstanding the above, the shareholders of the Company may not expect Dividend under the following circumstances:

- Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital expenditure.
- Significantly higher working capital requirements which may adversely impacting free cash flow during that period.
- Whenever it undertakes any acquisition or joint ventures requiring significant Allocation of capital.
- In the event of inadequacy of profit or whenever the Company has incurred losses.

5. INTERIM AND FINAL DIVIDEND

The Board may declare one or more Interim Dividends during the year. Additionally, the Board may recommend Final Dividend for the approval of the shareholders at the Annual General Meeting. The date of the Board meeting in which the Dividend proposal is being considered, will be informed to the stock exchanges, as required by Listing Regulations.

6. FINANCIAL PARAMETERS AND OTHER INTERNAL AND EXTERNAL FACTORS THAT WOULD BE CONSIDERED FOR DECLARATION OF DIVIDEND:

- Distributable surplus available as per the Act and Regulations
- The Company's liquidity position and future cash flow needs
- Track record of Dividends distributed by the Company
- Payout ratios of comparable companies
- Prevailing Taxation Policy or any amendments expected thereof, with respect to Dividend distribution
- Capital expenditure requirements considering the expansion and acquisition opportunities
- Cost and availability of alternative sources of funds.
- Macroeconomic and business conditions in general which may impact the cashflows.

- Providing for unforeseen events or contingency with financial implications
- Any other relevant factors that the Board may deem fit to consider before declaring a Dividend.

7. UTILISATION OF RETAINED EARNINGS

Subject to applicable regulations, the Company's retained earnings shall be applied for:

- Funding inorganic and organic growth needs including working capital, capital expenditure, repayment of debt, etc.

- Buyback of shares subject to applicable limits as per the Act and Regulations.
- Payment of Dividend in future years.
- Issue of Bonus shares.
- Any other permissible purpose.

8. MODIFICATION OF THE POLICY

The Policy will be reviewed periodically by the Board. The Board is authorised to change/amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Companies Act, 2013, or the SEBI Regulations, etc.



ANNEXURES TO THE DIRECTORS' REPORT

ANNEXURE-II

FORM AOC – 1

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES.

[Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

PART A : SUBSIDIARIES

(₹ in Lakhs)

| Sr. No. | Particulars | Details |
|---------|---|---|
| 1 | Name of the subsidiary | Balaji Speciality Chemicals Limited |
| 2 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | 31 st March, 2023 (Same as Holding Company) |
| 3 | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | Not Applicable |
| 4 | Share Capital | ₹4,000.00 |
| 5 | Reserves & Surplus | ₹32,555.01 |
| 6 | Total Assets | ₹48,097.97 |
| 7 | Total Liabilities | ₹11,542.96 |
| 8 | Investments | ₹1,033.65 |
| 9 | Turnover | ₹79,122.76 |
| 10 | Profit / Loss before taxation | ₹26,143.69 |
| 11 | Tax Expense Net of Deferred Tax Asset | ₹8,330.12 |
| 12 | Profit/Loss after taxation | ₹17,813.57 |
| 13 | Proposed Dividend | Nil |
| 14 | % of Shareholding | 55% |

PART B : ASSOCIATE AND JOINT VENTURES : NOT APPLICABLE

As per our report of even date
For **M. Anandam & Co.,**
Chartered Accountants
Firm Regn No: 0001255

For and on behalf of Board of Directors

Sd/-
M V Ranganath
Partner
Membership No.028031
Place : Hyderabad
Date : May 20, 2023

Sd/-
A Prathap Reddy
Executive Chairman
DIN 00003967
Place : Hyderabad
Date : May 20, 2023

Sd/-
A Srinivas Reddy
Whole Time Director & CFO
DIN 03169721
Place : Hyderabad
Date : May 20, 2023

Sd/-
Lakhan Dargad
Company Secretary
M No : A52571
Place : Solapur
Date : May 20, 2023

ANNEXURE-III

REPORT ON MANAGERIAL REMUNERATION

[As per Section 197 of the Companies Act, 2013, Read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

(A) Details pertaining to remuneration as required under Section 197 (12) of the Companies Act, 2013, read with Rule 5(1) of the (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary, ratio of the remuneration of each Director to the median remuneration of the employees of the company are as under:

| Name | Designation | *Remuneration of Director / KMP for the financial year 2022-23 (Amount in ₹) | Ratio of Remuneration of each Director/KMP to median remuneration of employees | % increase in Remuneration in the financial year 2022-23 |
|----------------------------|--|--|--|--|
| Mr. Ande Prathap Reddy | Executive Chairman | 55,89,600 | 15.94 | 3.03 |
| Mr. Dundurapu Ram Reddy | Managing Director | 47,67,600 | 13.59 | 3.57 |
| Mr. Rajeshwar Reddy Nomula | Joint Managing Director | 47,67,600 | 13.59 | 3.57 |
| Mr. Hemanth Reddy Gaddam** | Whole-time Director & CFO | 47,67,600 | 13.59 | 3.57 |
| Mr. Ande Srinivas Reddy*** | Whole-time Director & CFO | 42,74,400 | 12.19 | 4.00 |
| Mr. Lakhan Dargad | Company Secretary & Compliance Officer | 5,88,396 | 1.84 | - |

*Remuneration excludes Commission paid to the Directors as a % of Profits

**Ceased with effect from 20th May, 2023.

***Appointed as Chief Financial Officer (CFO) with effect from 20th May, 2023.

- ii. The percentage increase in the median remuneration of employees in the financial year ending 31st March, 2023 was 9%
- iii. There were 1111 permanent employees on the rolls of Company as on 31st March, 2023.
- iv. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average annual increase across the organization was 9% However, the total increase was 12% after accounting for promotions and corrections.

There were no exceptional circumstances for increase in the managerial remuneration The Company affirms that remuneration to the Directors and Key Managerial Personnel is as per the remuneration policy of the Company.



(B) Statement of Particulars of Employees Pursuant to Provisions of Rule 5 (2) of Section 197 (12) of the Companies Act 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

| Sr. No. | Name and Designation | Nature of Employment | Qualifications Experience and age of the Employee | Date of Commencement of Employment | The Last Employment held before Joining the Company | Remuneration for the FY 2022-23 (Amount in ₹) | Whether employee is relative of any director or Manager of the Company |
|---------|---|----------------------|--|------------------------------------|---|---|--|
| 1 | Mr. Ande Prathap Reddy, Executive Chairman | Contractual | He is a Civil Engineer by Qualification; He has over 48 Years of experience across varied industries. (Age - 72 Years.) | 27 th October, 1988 | Nil | 9,81,08,760 | 1. Father of Mr. Ande Srinivas Reddy 2. Father-in-Law of Mr. Hemanth Reddy Gaddam 3. Uncle of Mr. Dundurapu Ram Reddy |
| 2 | Mr. Dundurapu Ram Reddy, Managing Director | Contractual | He has over 38 years of experience in varied industries. (Age - 61 Years) | 15 th January, 1989 | Nil | 6,63,55,840 | 1. Nephew of Mr. Ande Prathap Reddy 2. Cousin of Mr. Ande Srinivas Reddy |
| 3 | Mr. Rajeshwar Reddy Nomula Joint Managing Director | Contractual | He holds a Bachelor's degree in Commerce and has over 43 years of experience across varied industries. (Age - 68 Years) | 27 th October, 1988 | Nil | 6,63,55,840 | 1. Brother-in-Law of Mr. Hemanth Reddy Gaddam |
| 4 | Mr. Hemanth Reddy Gaddam* Whole-time Director & CFO | Contractual | He is a post graduate in management with Finance & Marketing as specialization having more than 33 years of experience spread across various businesses. (Age - 57 Years) | 28 th July, 2008 | Bhagyanagar Woodplast Limited | 3,53,52,920 | 1. Son-in-Law of Mr. Ande Prathap Reddy 2. Brother-in-Law of Mr. Rajeshwar Reddy Nomula 3. Brother-in-Law of Mr. Ande Srinivas Reddy |
| 5 | Mr. Ande Srinivas Reddy** Whole-time Director & CFO | Contractual | He is a Post Graduate in Computer science & an MBA. He has worked as project manager on multiple projects at fortune 100 US companies including Sprint, Goodyear, Agilent technologies, Cummins Inc, etc. (Age - 48 Years) | 11 th May, 2013 | Nil | 6,59,05,840 | 1. Son of Mr. Ande Prathap Reddy 2. Brother-in-Law of Mr. Hemanth Reddy Gaddam 3. Cousin of Mr. Dundurapu Ram Reddy |
| 6 | Mr. Nilesh Shashikant Jadhav (Vice President) | On Roll | He holds a Bachelor's Degree (B.E. -Chemical Engineering), Piping Engineering from IIT Bombay & an MBA. He has over 27 years' experience in Processes, Operations, Technology and Business significance of Specialty Chemicals including Deepak Fertilizers and Petrochemicals Corp. Ltd, ESSAR Refinery, Schenectady Herdillia, Rubber Flex SDN BHD -Malaysia, Apcotex Lattices Limited, (Age - 52 Years) | 6 th January, 2021 | Deepak Fertilizers and Petrochemicals Corp. Ltd | 60,00,000 | No |

| Sr. No. | Name and Designation | Nature of Employment | Qualifications Experience and age of the Employee | Date of Commencement of Employment | The Last Employment held before Joining the Company | Remuneration for the FY 2022-23 (Amount in ₹) | Whether employee is relative of any director or Manager of the Company |
|---------|---|----------------------|--|------------------------------------|---|---|--|
| 6 | Mr. Govind Raybhanrao Menchekare (GM – Operations) | On Roll | He holds a Bachelor's Degree {B.Sc. -Tech. (Petrochemical)} and he has over 29 years' experience in Chemicals Production. (Age - 49 Years) | 24 th January, 1996 | NA | 29,00,000 | No |
| 7 | Mr. Roopavathram Subba Sastry (DGM – Services) | On Roll | He is a Post Graduate in Instrumentation (M.Sc – Instrumentation) and he has over 28 years' experience in Electrical Instrumentation & Maintenance (Age – 57 Years) | 1 st July, 1996 | NA | 25,00,000 | No |
| 8 | Mr. SureshBabu Satyanarayana Vuppula (DGM – Services) | On Roll | He is a Post Graduate in Engineering Physics & Instrumentation (M.Sc – Engineering Physics & Instrumentation) and he has over 32 years' experience in Electrical & Instrumentation. (Age – 55 Years) | 8 th July, 1991 | NA | 25,00,000 | No |
| 9 | Mr. Arun Maruti Masal (DGM – Finance) | On Roll | He is a Post Graduate in Commerce (M.com) and he has over 33 years' experience in Accounts & Finance (Age – 57 Years) | 1 st October, 1990 | NA | 22,00,000 | No |

*Ceased with effect from 20th May, 2023.

**Appointed as Chief Financial Officer (CFO) with effect from 20th May, 2023.

- There were no other employees drawing remuneration of ₹8.50 Lakhs p.m or above / ₹102 Lakhs p.a or above whether employed
- throughout or part of the financial year No employees are covered under rule 5(2)(iii) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
- The Remuneration of top 5 employees includes commission on profits.

For and on Behalf of the Board of Directors

Sd/-

Ande Prathap Reddy
Executive Chairman
DIN: 00003967

Date: 20th May, 2023
Place: Hyderabad



ANNEXURE-IV FORM NO. MR-3 SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

For the financial year ended 31st March, 2023

To,
The Members,
Balaji Amines Limited
Solapur

(b) The Securities and Exchange Board of India
(Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Share
Based Employee Benefits and Sweat Equity)
Regulations, 2021;

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2023 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:-

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (b) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

3. The industry specific major laws that applicable to the company are

- a) Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 under the Environment (Protection) Act, 1986;
- b) Food Safety and Standards Act, 2006
- c) Petroleum Act 1934
- d) Poisons Act 1919
- e) The Indian Copyright Act, 1957
- f) The Patents Act, 1970
- g) The Trade Marks Act, 1999
- h) The Indian Boilers Act, 1923
- i) The Explosives Act 1983
- j) Manufacture Storage and Import of Hazardous Chemical Rules, 1989
- k) Public Liability Insurance Act, 1991

4. We have also examined compliance with the applicable clauses of the following:
- (a) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - (b) Secretarial Standards issued by the Institute of Company Secretaries of India and notified under the Act.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to our comments below:

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

During the period under review, Material Subsidiary Company of the Company, Balaji Speciality Chemicals Limited has proposed to raise the funds through the initial public offer with the combination of Fresh Issue and Offer for Sale and has filed Draft Red Herring prospectus on August 10, 2022 with Securities Exchange and Board of India consequently the Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to the letters dated September 16, 2022 and September 19, 2022, respectively and received final observations on 14th November 2022 from the SEBI (Securities and Exchange Board of India) for filing of (Updated) Red herring prospectus with the Board (SEBI).

Company has not undertaken any event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For P.S. Rao & Associates
Company Secretaries

Sd/-
P S Rao
Partner
M. No. F10322
C P No: 3829
PR: 710/2020

Place: Hyderabad
Date: 20th May, 2023
UDIN: F010322E000343160

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



ANNEXURE A

To,
The Members,
Balaji Amines Limited
Solapur

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

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

**Sd/-
P S Rao
Partner**

**M. No. F10322
C P No: 3829
PR: 710/2020**

Place: Hyderabad
Date: 20th May, 2023
UDIN: F010322E000343160

ANNEXURE - V

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Pursuant to section 134 (3) (m) of The Companies Act, 2013, read with Rule 8 (3) of
The Companies (Accounts) Rules, 2014]

A. CONSERVATION OF ENERGY

a. The steps taken or impact on conservation of energy:

The Company has an excellent team of professionals and Industry specialists on retainers who are responsible for improving energy conservation. The team implements the latest trends, developments & technologies available in conserving energy across all the units. The areas of conservation of energy are:

1. Steam recovery, optimizing Steam generation & optimum recovery of waste heat synchronization.
2. Recovery of water, and waste water recycling by various methods.
3. Recovery of energy from the process with heat exchangers etc.
4. Use of Dry Air Cooled Condensers and Chillers in place of Cooling Tower water.
5. Deploying various power generation equipment in the plants resulting in lower overall cost of power.
6. Use of additional concentration systems for Effluents to reduce MEE loads
7. Deploying of additional innovative solutions at cooling towers to reduce consumption of water and water treatment chemicals.
8. Use of wind energy generator for conservation of energy.

b. Steps taken by the Company for utilizing alternate sources of energy

The Company has 415KW solar power plant at Unit 3, MIDC, Chincholi apart from 50KVA at its registered office. The Company continues to explore additional opportunities for alternative sources of energy in other areas that have both environmental as well as financial benefits.

c. The Capital investment on energy conservation equipment

The company has implemented various energy conservative measures, which has resulted in reducing energy costs and improving efficiency of various plants.

- a) Optimizing the usage of energy efficient pumping systems, chillers etc

1. Waste Water recovery system through High Pressure processing system.
2. Deployment of latest Effluent Treatment System in addition to existing ETP unit at Unit 1, Tamalwadi. The same will allow for lower cost of effluent processing cost.
3. Various kinds of power generation systems deployed at plants reducing overall cost of power.

Impact of the above measures are:

1. Free power to part of the offices as well as Chincholi Manufacturing site through solar power unit.
2. Sustainable usage of water resources.
3. Reduced power cost at process plants due to power generation equipment deployment.
4. The overall reduction of energy costs and also efficiency of various plants has been improved.
5. Reduced cost of effluent treatment at various sites.
6. Lower wastage of water through RO reject (and subsequent processing in multiple effect evaporator).
7. Reduced cooling costs due to deployment of more efficient condensers and chillers.

B. TECHNOLOGY ABSORPTION

- i. Efforts made towards technology absorption: Through the R&D initiatives new products/ processes developed, involves usage of latest technology, process methods. The R & D team has been continuously working on improving existing manufacturing processes and changes proposed have been implemented in production.
- ii. The Benefits derived like product improvement, cost reduction, product development or import substitution:
 - a) Impact on Environment is minimized
 - b) Process Time and costs reduced substantially.



- iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – Not Applicable

- iv. Particulars with Respect to Research and Development

1. Specific Areas in which the Company Carries out R&D

- Improved process of Aliphatic Amines manufacture process
- Better Handling of effluents from various plants
- Improve product quality of existing product portfolio as per customer requirements through R&D pilot trials
- Improvement of processes in existing plants.
- Test out various new catalysts for existing products for identifying replacement catalysts with better performance on all metrics.

2. Benefits Derived

- Impact on Environment is minimized
- Process Time and cost reduced substantially.
- Overall performance of the company has been satisfactory and operating at a high scale of operations and optimum utilization of resources.

3. Future Course of Action

- Continuous improvement of processes and fine tuning process parameters to optimize utilization of energy, utilities and consumption of raw materials.
- Greater importance for both Backward & Forward integration of product lines for better realization and value addition.
- Continued emphasis on identifying new products / processes through in house R&D center.

4. Expenditure on R&D

- Capital in nature (₹ in Lakhs) : ₹168.71
- Revenue (₹ in Lakhs) : ₹121.62

5. Technology Absorption, Adoption and Innovation Efforts Made

Through the R&D initiatives new products/processes developed, involves usage of latest technology, process and methods.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ In Lakhs)

| Particulars | 2021-22 | 2022-23 |
|-------------------------|-----------|-----------|
| Foreign Exchange Earned | 33,335.15 | 30,291.19 |
| Foreign Exchange Outgo | 40,551.42 | 51,300.74 |

ANNEXURE-VI FORM NO AOC – 2

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2)
of the Companies (Accounts) Rules, 2014)**

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

1. Details of contracts or arrangements or transactions not at arm's length basis-

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2023, which were not at arm's length basis.

2. Details of contracts or arrangements or transactions at arm's length basis-

The details of contracts or arrangements or transactions at arm's length basis for the year ended 31st March, 2023, are as follows:

| Name of the related party | Nature of Transaction | Transaction value (₹ in Lakhs.) | Duration of Transaction | Salient terms of Transaction | Date of approval by the Board | Amount written off/ back |
|--|------------------------------------|------------------------------------|---|---|----------------------------------|-----------------------------|
| Balaji Speciality Chemicals Limited (Subsidiary Company by holding 55% Stake) | a. Sales b. Purchase | 16,210.19 | 1 Year | Sale, purchase or supply of raw material and trading of Specialty Chemicals and other capital goods for the value. Consideration upto ₹232.04 Crores | 11 th May, 2022 | Nil |
| Balaji Speciality Chemicals Limited (Subsidiary Company by holding 55% Stake) | Receipt of Office Rent (Solapur) | 6.60 | 3 Years | Lease agreement for office given on monthly rental ₹50,000/- | 11 th May, 2022 | Nil |
| Balaji Speciality Chemicals Limited (Subsidiary Company by holding 55% Stake) | Receipt of Office Rent (Hyderabad) | 0.50 | 3 Years | Lease agreement for office given on monthly rental ₹10,000/- with effect from 1 st November, 2023 | 27 th October, 2022 | Nil |
| Balaji Speciality Chemicals Limited (Subsidiary Company by holding 55% Stake) | Trademark License | - | On Mutual understanding between companies | ₹50,000/- per annum for use of trademarks/labels as per Trademark License Agreement. | 11 th May, 2022 | Nil |
| Thirumala Precicasts Pvt. Ltd. (Directors are interested) | Receipt of Office Rent | 3.00 | 3 Years | Lease agreement for office given on monthly rental of ₹25,000 | 27 th October, 2020 | Nil |
| MVL Medisynth Pvt. Ltd. (Directors are interested) | a. Sales b. Purchase | 1,062.04 | 1 Year | Job Work for chemicals Purchase and Sale of chemicals and utilities on Market Rate/ Transfer Pricing /on Arm's Length basis. Consideration upto ₹93 Crores (Excluding Taxes, TDS & TCS) | 11 th May, 2022 | Nil |
| SVS Sourcing Pvt. Ltd. (Directors are interested) | a. Sales | 5,874.74 | 1 Year | Sale of products and purchase of raw materials as per mutual understanding and Transfer pricing guidelines at arm's length. Consideration upto ₹100 Crores | 11 th May, 2022 | Nil |
| Sri Venkateshwara Cement Products | a. Sales b. Purchase | 2.47 | 1 Year | Supply of Pipes and other materials, Sale of lubricant etc. for the consideration upto ₹25 Lakhs | 6 th February, 2023 | Nil |

Note : As per provisions of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 none of the above mentioned transactions are material in nature.

For and on Behalf of the Board of Directors

Sd/-

Ande Prathap Reddy
Executive Chairman
DIN: 00003967

Date: 20th May, 2023
Place: Hyderabad



Particulars of loans/advances, etc. pursuant to Para A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

| Sr. No. | In the Accounts of | Disclosure of amounts at the year end and the Maximum amount of loans/Advances/ Investments outstanding during the year |
|----------------|---------------------------|--|
| 1 | Balaji Amines Limited | Loans and Advances in the Nature of loans to subsidiary company Balaji Speciality Chemicals Limited: Nil |

There are no transactions entered into between the Company with any person or entity belonging to the promoter/promoter group which holds 10% or more shareholding in the Company.

For and on Behalf of the Board of Directors

Sd/-

Ande Prathap Reddy

Executive Chairman

DIN: 00003967

Date: 20th May, 2023

Place: Hyderabad

ANNEXURE-VII

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline on CSR policy of the Company:

The CSR Policy including a brief overview of the projects or programs undertaken can be accessed at the Company's website through the Web-link: <http://www.balajiamines.com/corporate-social-responsibility>

2. The Composition of the CSR Committee:

| Sr. No. | Name of Director | Designation/Nature of Directorship | Number of meetings held during the year | Number of meetings of CSR Committee attended during the year |
|---------|------------------------------|---|---|--|
| 1 | Mr. Kashinath Revappa Dhole* | Chairman- Non executive Independent Director | 4 | 4 |
| 2 | Dr. Uma Rajiv Pradhan** | Chairperson- Non executive Independent Director | - | - |
| 3 | Mr. Rajeshwar Reddy Nomula | Member- Whole-time Director | 4 | 4 |
| 4 | Mr. Dundurapu Ram Reddy | Member- Managing Director | 4 | 4 |

*Ceased with effect from 20th May, 2023

**Appointed with effect from 20th May, 2023

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company:

- CSR Committee: <http://www.balajiamines.com/pdf/1686130582Committees.pdf>
- CSR Policy: <http://www.balajiamines.com/pdf/1512734314Corporate%20social%20responsibility%20Policy.pdf>
- CSR Projects: <http://www.balajiamines.com/corporate-social-responsibility>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not applicable

- 5.
- a) Average net profit of the company as per sub-section (5) of section 135: ₹2,95,60,85,147/-
 - b) Two percent of average net profit of the company as per sub-section (5) of section 135: ₹5,91,21,703/-
 - c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: NIL
 - d) Amount required to be set-off for the financial year, if any: Nil
 - e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹5,91,21,703/-


6.(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):

(i) Ongoing Project: Nil

(ii) Other than Ongoing Project:

| Sr. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/No) | Location of the project | | Amount Spent for the project (in ₹) | Mode of Implementation – Direct (Yes/No) | Mode of Implementation – Through implementing Agency | |
|--------------|---|---|---------------------|--------------------------|--|-------------------------------------|--|--|---------------------|
| | | | | State | District | | | CSR Name | Registration Number |
| 1. | Improving health conditions & providing medical facilities in various villages of Maharashtra by construction of toilets, renovation of hospital, water collection system, drinking water, RO Plants, dustbins, medical aid, arranging health camps and other related activities etc. | Promoting Healthcare | Yes | Maharashtra | Solapur, Osmanabad and Latur Districts | 1,76,51,059 | Yes | - | - |
| 2. | Enhancing the state of educational institutions by providing necessary infrastructure for schools such as providing computers, projectors, smart TVs, Interactive Board, inverters, printers, benches, lab equipment and other related materials. Providing educational aid to needy students for their studies or any other activities for their interest. | Promoting Education | Yes | Maharashtra Telangana | Solapur and Osmanabad Districts Nizamabad | 3,41,80,041 | Yes | - | - |
| 3. | Installation of LED Street Lights, Multipurpose building, installation of solar street lights, digital village map with cloth hanging print, wending cart, aata chakki, sewing machines, installation of CCTV System, excavation of trenches for tree plantation. | Rural Development | Yes | Maharashtra | Solapur and Osmanabad Districts | 52,42,419 | Yes | - | - |
| 4. | Providing necessary infrastructure for sports activities, providing sports equipment and sponsorship to Athletes for State Level Competition. | Promoting Sports | Yes | Maharashtra | Solapur and Osmanabad Districts | 12,46,403 | Yes | - | - |
| Total | | | | | | 5,83,19,922 | | | |

(b) Amount spent in Administrative Overheads: ₹9,75,000/-
(c) Amount spent on Impact Assessment, if applicable: Not Applicable
(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹5,92,94,922/-

(e) CSR amount spent or unspent for the Financial Year:

| Total Amount Spent for the Financial Year (in ₹) | Amount Unspent (in ₹) | | | | |
|--|---|-------------------|--|---------|------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount. | Date of transfer. | Name of the Fund | Amount. | Date of transfer |
| ₹5,92,94,922/- | NA | NA | NA | NA | NA |

(f) Excess amount for set-off, if any:

| Sr. No. | Particular | Amount (in ₹) |
|---------|---|---------------|
| 1. | Two percent of average net profit of the company as per sub-section (5) of section 135 | 5,91,21,703 |
| 2. | Total amount spent for the Financial Year | 5,92,94,922 |
| 3. | Excess amount spent for the financial year [(ii)-(i)] | 1,73,219 |
| 4. | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | 0 |
| 5. | Amount available for set off in succeeding financial years [(iii)-(iv)] | 1,73,219 |

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

| Sr. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹) | Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹) | Amount Spent in the Financial Year (in ₹) | Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any | | Amount remaining to be spent in succeeding Financial Years (in ₹) | Deficiency, if any |
|---------|--------------------------|---|--|---|--|------------------|---|--------------------|
| | | | | | Amount (in ₹) | Date of Transfer | | |
| | | | | | | | | |
| 1 | 2019-20 | Nil | Nil | Nil | NA | NA | Nil | NA |
| 2 | 2020-21 | Nil | Nil | Nil | NA | NA | Nil | NA |
| 3 | 2021-22 | Nil | Nil | Nil | NA | NA | Nil | NA |

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135. Not Applicable

Sd/-

Kashinath Revappa Dhole
Chairman – CSR Committee

DIN: 01076675

Date: 20th May, 2023

Place: Solapur

Sd/-

Ande Prathap Reddy
Executive Chairman

DIN: 00003967

Date: 20th May, 2023

Place: Hyderabad



Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY

1. Corporate Identity Number (CIN) of the Listed Entity : L24132MH1988PLC049387
2. Name of the Listed Entity : Balaji Amines Limited
3. Year of incorporation : 1988
4. Registered office address : Balaji Towers, No. 9/1A/1, Aasara Chowk, Hotgi Road, Solapur-413224, Maharashtra.
5. Corporate address : Plot No. 47, Balaji Bhawan, Kavuri Hills, Madhapur, Hyderabad -500033
6. E-mail : cs@balajiamines.com
7. Telephone : +91 217 2451500
8. Website : www.balajiamines.com
9. Financial year for which reporting is being done : 2022-23 (As at 31st March, 2023)
10. Name of the Stock Exchange(s) where shares are listed : BSE Limited National Stock Exchange of India Limited
11. Paid-up Capital : ₹6,48,02,000/- (3,24,01,000 Equity shares of ₹2/- each) as on 31st March, 2023
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report : **Ms. Varsha Guntuk**, Manager-Human Resource,
E-mail Address: hr@balajiamines.com
Tel. No.: +912172451500
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). : The disclosures under this report are made on a standalone basis, unless otherwise specified.

II. PRODUCTS/SERVICES

14. Details of business activities (accounting for 90% of the turnover):

| S. No. | Description of Main Activity | Description of Business Activity | % of Turnover of the entity |
|--------|------------------------------|---|-----------------------------|
| 1 | Manufacturer | Our company is engaged in the activity of manufacture and sale of Aliphatic Amines, Speciality Chemicals and its Derivatives. | 98.48% |
| 2 | Service Sector | Hotels, Restaurants and Hospitality Services -Hotels Star rated | 1.52% |

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

| S. No. | Product/Service | NIC Code | % of total Turnover contributed |
|--------|----------------------|----------|---------------------------------|
| 1 | Aliphatic Amines | 20119 | 28.90% |
| 2 | Speciality Chemicals | 20119 | 34.01% |
| 3 | Derivatives | 20119 | 37.08% |

III. OPERATIONS

16. Number of locations where plants and/or operations/offices of the entity are situated:

| Location | Number of plants | Number of offices | Total |
|---------------|------------------|-------------------|-------|
| National | 6 | 2 | 8 |
| International | Nil | Nil | Nil |

17. Markets served by the entity:

a. Number of locations

| Locations | Number |
|----------------------------------|---|
| National (No. of States) | 26 States (including Union Territories) |
| International (No. of Countries) | 50 Countries |

b. What is the contribution of exports as a percentage of the total turnover of the entity?

- Contribution of Exports 15.12 % of the total turnover of the entity.

c. A brief on types of customers

1. Pharma
2. Agrochem
3. Paints & Resins
4. Animal Feed
5. Oil & Gas
6. Rubber Cleaning Chemicals
7. Dye & Textiles
8. Water Treatment Chemicals.

IV. EMPLOYEES

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

| S. No. | Particulars | Total (A) | Male | | Female | |
|----------|--------------------------|-----------|---------|-----------|---------|-----------|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| EMPLOYEE | | | | | | |
| 1. | Permanent (D) | 475 | 451 | 95% | 24 | 5% |
| 2. | Other than Permanent (E) | 26 | 21 | 81% | 5 | 19% |
| 3. | Total employees (D + E) | 501 | 472 | 94% | 29 | 6% |
| WORKERS | | | | | | |
| 4. | Permanent (F) | 636 | 636 | 100% | 0 | 0% |
| 5. | Other than Permanent (G) | 104 | 104 | 100% | 0 | 0% |
| 6. | Total workers (F + G) | 740 | 740 | 100% | 0 | 0% |


b. Differently abled Employees and workers:

| S. No | Particulars | Total (A) | Male | | Female | |
|-----------------------------|---|-----------|---------|-----------|---------|-----------|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| DIFFERENTLY ABLED EMPLOYEES | | | | | | |
| 1. | Permanent (D) | 0 | 0 | 0 | 0 | 0 |
| 2. | Other than Permanent (E) | 0 | 0 | 0 | 0 | 0 |
| 3. | Totaldifferentlyabledemployees(D+E) | 0 | 0 | 0 | 0 | 0 |
| DIFFERENTLY ABLED WORKERS | | | | | | |
| 4. | Permanent (F) | 0 | 0 | 0 | 0 | 0 |
| 5. | Other than permanent (G) | 0 | 0 | 0 | 0 | 0 |
| 6. | Total differently abled workers (F + G) | 0 | 0 | 0 | 0 | 0 |

19. Participation/Inclusion/Representation of women

| Particulars | Total (A) | No. and percentage of Females | |
|--------------------------|-----------|-------------------------------|-----------|
| | | No. (B) | % (B / A) |
| Board of Directors* | 10 | 1 | 10% |
| Key Management Personnel | 1 | 0 | 0% |

*includes Managing Director and CFO

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

| Particulars | FY 2022-23 (Turnover rate in current FY) | | | FY 2021-22 (Turnover rate in previous FY) | | | FY 2020-21 (Turnover rate in the year prior to the previous FY) | | |
|---------------------|---|--------|-------|--|--------|-------|--|--------|-------|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 3.1% | 0.3% | 3.4% | 3% | 0.2% | 3% | 4% | 0 | 4% |
| Permanent Workers | 1% | 0 | 1% | 4% | 0 | 4% | 5% | 0 | 5% |

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)
21. Names of holding/subsidiary/associate companies/joint ventures

| S. No. | Name of the holding/ subsidiary/ associate companies/joint ventures (A) | Indicate whether holding/ Subsidiary/ Associate/Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|--------|---|---|-----------------------------------|--|
| 1 | Balaji Speciality Chemicals Limited | Subsidiary | 55% | Yes |

VI. CSR DETAILS
22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

➤ Yes

(ii) Turnover (₹ in Lakhs): 1,72,628.31

(iii) Net worth (₹ in Lakhs): 1,40,032.58

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/ No) (If Yes, then provide web-link for grievance redress policy) | FY 2022-23 Current Financial Year | | | FY 2021-22 Previous Financial Year | | |
|---|---|--|--|---------|--|--|---------|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities | Yes | 0 | 0 | NA | 0 | 0 | NA |
| Investors (other than shareholders) | Yes http://www.balajiamines.com/investor-relations | 0 | 0 | NA | 0 | 0 | NA |
| Shareholders | Yes https://scores.gov.in/scores/Welcome.html | 5 | 0 | NA | 0 | 0 | NA |
| Employees and workers | Yes* | 0 | 0 | NA | 0 | 0 | NA |
| Customers | Yes* | 0 | 0 | NA | 0 | 0 | NA |
| Value Chain Partners | Yes* | 0 | 0 | NA | 0 | 0 | NA |

*BAL's stakeholders include our investors, clients, employees, vendors/partners, government, and the community. A whistle blower policy and non-retaliation clause is available to all our stakeholders. Any divergence from the rules against this policy must be reported by all parties involved with the organisation. We have a grievance redressal mechanism which is accessible to all our stakeholders. All the complaints are looked into by designated compliance personnel and appropriate measures are taken against individuals who are found to be at fault. During the entire investigation process, BAL provides protection to the complainant as well as the person against whom the complaint is made. Our whistle blower policy is available at http://www.balajiamines.com/pdf/1644382399whistle_blower_policy_balajiamines_final.pdf

24. Overview of the entity's material responsible business conduct issues

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|---|--|---|--|--|
| 1. | Checks and Controls for possible Fugitive Emissions from Scrubbers of all Units | Opportunity (O) | The Company has installed multi stage Scrubbers wherever required. The Company is in the process of installing Analyzers. This will lead to quantification of the Fugitive Emissions and will be an avenue for Performance Improvement and reduction of Losses. | NA | Positive Implications |
| 2. | Carbon Monoxide Leakages from Compressors at Unit-3 | Opportunity (O) | Carbon Monoxide is a Key raw material and arresting Leakages from Packings lead to improvement in Consumption Norms and EHS aspects | Pre Treatment for Gas stream before Compressor Suction and Special Configuration Packings to make Leakages almost Nil has been done. | Positive Implications |



| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|--|--|--|---|--|
| 3. | H2 Gas Leakages from Compressors Stuffing Box of all Units | Opportunity (O) | H2 is a Key raw material for many products and hence by minimizing Leakages both Consumption Norms and EHS aspects are being improved. | With the introduction of Special Configuration Packings , revisiting the Maintenance procedures, Inspection protocols and changes in Cooling System of Packings , the Leakages were brought down to close to API standards. | Positive Implications |

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

P1 Business should conduct and govern themselves with Ethics, Transparency and Accountability;

P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle;

P3 Businesses should promote the wellbeing of all employees;

P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized;

P5 Businesses should respect and promote human rights;

P6 Business should respect, protect, and make efforts to restore the environment;

P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner;

P8 Businesses should support inclusive growth and equitable development;

P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

| Disclosure Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|--|-----|----------------|-----|-----|-----|-----|-----|-----|-----|
| Policy and management processes | | | | | | | | | |
| 1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| b. Has the policy been approved by the Board? (Yes/No) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| c. Web Link of the Policies, if available | - | - | - | - | - | - | - | - | - |
| 2. Whether the entity has translated the policy into procedures. (Yes / No) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | NA | Y ¹ | NA | NA | NA | NA | NA | NA | NA |
| 5. Specific commitments, goals and targets set by the entity with defined timelines, if any. | N | N | N | N | N | N | N | N | N |
| 6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met. | NA | NA | NA | NA | NA | NA | NA | NA | NA |

Governance, leadership and oversight

| 7. | Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements | Balaji Amines, since inception, has built its organization pillared on Environmental, Social and Governance. Every strategic decision is taken after it's successfully clears these three aspects. The Company aspires to follow a good governance model in every aspect of business activities which is useful to attain sustainable development. This will be a roadmap to the Company's ESG plans. | | | | | | | | | | | | |
|----------|--|---|-----|------|-------------|----------|-------------------------|-------------|----------|-----------------------|--------|----------|-------------------------|--------|
| 8. | Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). | Mr. Ram Reddy Dundurapu, Managing Director (DIN: 00003864) under the guidance of the Board of Directors and its Committees oversees the Business Responsibility and progress on our ESG ambitions. | | | | | | | | | | | | |
| 9. | Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. | The Stakeholders' Relationship Committee of the Board of Directors is responsible for decision making on sustainability related issues. | | | | | | | | | | | | |
| | | <table><tr><th>DIN</th><th>Name</th><th>Designation</th></tr><tr><td>02168705</td><td>Dr. Suhasini Yatin Shah</td><td>Chairperson</td></tr><tr><td>10096017</td><td>Dr. Uma Rajiv Pradhan</td><td>Member</td></tr><tr><td>00003864</td><td>Mr. Dundurapu Ram Reddy</td><td>Member</td></tr></table> | DIN | Name | Designation | 02168705 | Dr. Suhasini Yatin Shah | Chairperson | 10096017 | Dr. Uma Rajiv Pradhan | Member | 00003864 | Mr. Dundurapu Ram Reddy | Member |
| DIN | Name | Designation | | | | | | | | | | | | |
| 02168705 | Dr. Suhasini Yatin Shah | Chairperson | | | | | | | | | | | | |
| 10096017 | Dr. Uma Rajiv Pradhan | Member | | | | | | | | | | | | |
| 00003864 | Mr. Dundurapu Ram Reddy | Member | | | | | | | | | | | | |

Note: The Stakeholders' Relationship Committee is reconstituted on 20th May, 2023.

Y¹ the Company believes in benchmarking practices and global standards to the best possible extent. The Company has ISO 9001:2015 certification.

Notes:

- All the policies are formulated with detailed analysis and benchmarking across industry. The policies are in compliance with all applicable laws.
- As per the Company's practice, all the mandatory policies under the Indian laws and regulations have been approved by the Board. Other policies are approved by the concerned Functional Head or Managing Director/Joint Managing Director of the Company depending upon the nature of policy.
- All the policies have a policy owner and the respective policy owners are responsible for implementation of the policy.
- Except Code of Conduct and Corporate Social Responsibility Policy, all other policy documents being in-house and internal documents of the Company are accessible to all the employees of the Company and thus are not available on the website of the Company. The Code of Conduct and Corporate Social Responsibility Policy can be accessed on the website of the Company at: <http://www.balajiamines.com/investor-relations>
- Any grievance relating to any of the policy can be escalated to the policy owner/Managing Director and/or Joint Managing Director.
- Implementation of policies is evaluated as a part of internal governance by policy owners.

10. Details of Review of NGRBCs by the Company:

| Subject for Review | Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee | | | | | | | | | Frequency (Annually(A) / Half yearly (H)/ Quarterly (Q)/ Any other – please specify) | | | | | | | | |
|---|--|-----|-----|-----|-----|-----|-----|-----|-----|--|-----|-----|-----|-----|-----|-----|-----|-----|
| | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
| Performance against above policies and follow up action | Yes | | | | | | | | | Periodically / Need basis | | | | | | | | |
| Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances | Yes, we comply with all applicable laws of the land we operate in. | | | | | | | | | Quarterly | | | | | | | | |
| 11. Has the entity carried out independent assessment /evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency. | | | | | | | | | | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
| | | | | | | | | | | Not Applicable | | | | | | | | |



12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

| Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|-----|-----|-----|-----|-----|-----|-----|-----|----------------|
| The entity does not consider the Principles material to its business (Yes/No) | | | | | | | | | |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | | | | | | | | | |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No) | | | | | | | | | Not Applicable |
| It is planned to be done in the next financial year (Yes/No) | | | | | | | | | |
| Any other reason (please specify) | | | | | | | | | |

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 : BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

| Segment | Total number of training and awareness programmes held | Topics/principles covered under the training and its impact | %age of persons in respective category covered by the awareness programmes |
|---|--|--|--|
| Board of Directors Key Managerial Personnel | 8 | The Board of Directors were reviewed periodically and familiarized on the issues pertaining to the industry, business, regulations, economy, ESG, their roles and responsibilities etc. through various awareness sessions. These topics comprise insights on the said Principles. | 100% |
| Employees other than BoD and KMPs | 28 | Principle 2,3,4,5,6,7,9 | 89% |
| Workers | 35 | Principle 2,3,4,5,6,7 | 85% |

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format:

a. Monetary

| Type | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In ₹) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
|-----------------|-----------------|---|---------------|-------------------|--|
| Penalty/Fine | NIL | NIL | NIL | NIL | NA |
| Settlement | NIL | NIL | NIL | NIL | NA |
| Compounding fee | NIL | NIL | NIL | NIL | NA |

b. Non-Monetary

| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Brief of the Case | Has an appeal been preferred? (Yes/No) |
|--------------|-----------------|---|-------------------|--|
| Imprisonment | NIL | NIL | NA | NA |
| Punishment | NIL | NIL | NA | NA |

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

➤ Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

- Yes, our code of conduct complies with legal requirements of applicable laws and regulations, including Anti-bribery, anti-corruption and ethical handling of conflict of interest. The Policy on Code of conduct available at <http://www.balajiamines.com/pdf/1553680298CODEOF%20CONDUCT%20FOR%20PREVENTION%20OF%20INSIDER%20TRADING.pdf>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

| Particulars | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
|-------------|--|---|
| Directors | NA | NA |
| KMPs | NA | NA |
| Employees | NA | NA |
| Workers | NA | NA |

6. Details of complaints with regard to conflict of interest:

| Particulars | FY 2022-23 (Current Financial Year) | | FY 2021-22 (Previous Financial Year) | |
|--|-------------------------------------|---------|--------------------------------------|---------|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | NA | NA | NA | NA |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | NA | NA | NA | NA |

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

- Not Applicable

Leadership Indicators

1. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same:

- Yes, the Company has a Code of Conduct for Board of Directors, Key Managerial Personnel and Senior Management which provides clear guidelines for avoiding and disclosing actual or potential conflict of interest with the Company. The Company receives an annual declaration from its Board of Directors, Key Managerial Personnel and Senior Management Personnel confirming that they will always act in the interest of the Company and ensure that any other business or personal association which they may have, does not involve any conflict of interest with the operations of the Company and the role therein.

The policy is available on the Company's website at <http://www.balajiamines.com/pdf/151267894003%20Code%20of%20Conduct%20for%20Directors%20and%20Senior%20Management.pdf>

PRINCIPLE 2 : BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

| | FY 2022-23% | FY 2021-22% | Details of improvements in environmental and social impacts |
|-------|-------------|-------------|--|
| R & D | 81% | 14% | Reduction of Carbon Footprint and Distillation Residue which is part of managing Hazardous waste. |
| Capex | 5% | 3% | Installed Equipment to reduce in Coal Consumption to achieve a lower carbon foot print, Usage of equipment to improve Dissolved Oxygen Level for Bio Culture, Recycling water results in reduction in Steam Consumption and carbon foot print. |



2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**
 - Yes, BAL has procedures defined under ISO guidelines for sustainable sourcing.
- b. **If yes, what percentage of inputs were sourced sustainably?**
 - Approximately 95% of Suppliers of BAL are responsible under this guidelines.
3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**
 - The wastewater generated from boilers and cooling towers is recovered through multi stage RO units and used for cooling tower make up.
 - The Solid generated after MEE are sent to landfill through hazard waste management companies.
 - Recovered packing material are disposed through approved agencies
4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**
 - The Company is in the process of reviewing the EPR Act with concern regulatory agencies.

PRINCIPLE 3 : BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS.

Essential Indicators

1.a. Details of measures for the well-being of employees:

| % of employees covered by | | | | | | | | | | | |
|--------------------------------|-----------|------------------|---------|--------------------|---------|--------------------|---------|--------------------|---------|---------------------|---------|
| Category | Total (A) | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| Permanent employees | | | | | | | | | | | |
| Male | 451 | 451 | 100% | 451 | 100% | 0 | 0% | 451 | 100% | 0 | 0 |
| Female | 24 | 24 | 100% | 24 | 100% | 24 | 100% | 0 | 0 | 0 | 0 |
| Total | 475 | 475 | 100% | 475 | 100% | 24 | 3% | 451 | 100% | 0 | 0 |
| Other than Permanent employees | | | | | | | | | | | |
| Male | 21 | 21 | 100% | 26 | 100% | 0 | 0% | 0 | 0 | 0 | 0 |
| Female | 5 | 5 | 100% | 5 | 100% | 5 | 100% | 0 | 0 | 0 | 0 |
| Total | 26 | 26 | 100% | 26 | 100% | 5 | 100% | 0 | 0 | 0 | 0 |

1.b. Details of measures for the well-being of workers:

| % of employees covered by | | | | | | | | | | | |
|---------------------------|-----------|------------------|-----------|--------------------|-----------|--------------------|-----------|--------------------|-----------|---------------------|-----------|
| Category | Total (A) | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | % (B / A) | Number (c) | % (C / A) | Number (D) | % (D / A) | Number (E) | % (E / A) | Number (F) | % (F / A) |
| Permanent employees | | | | | | | | | | | |
| Male | 636 | 636 | 100% | 636 | 100% | 0 | 0 | 0 | 0 | 0 | 0 |
| Female | 0 | 0 | 0% | 0 | 0% | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 636 | 636 | 100% | 636 | 100% | 0 | 0 | 0 | 0 | 0 | 0 |

| Category | Total (A) | % of employees covered by | | | | | | | | | |
|--------------------------------|-----------|---------------------------|-----------|--------------------|-----------|--------------------|-----------|--------------------|-----------|---------------------|-----------|
| | | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | % (B / A) | Number (c) | % (C / A) | Number (D) | % (D / A) | Number (E) | % (E / A) | Number (F) | % (F / A) |
| Other than Permanent employees | | | | | | | | | | | |
| Male | 104 | 104 | 100% | 104 | 100% | 0 | 0 | 0 | 0 | 0 | 0 |
| Female | 0 | 0 | 0% | 0 | 0% | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 104 | 104 | 100% | 104 | 100% | 0 | 0 | 0 | 0 | 0 | 0 |

2. Details of retirement benefits, for Current FY and Previous Financial Year:

| Benefits | FY 2022-23 Current Financial year | | | FY 2021-22 Previous Financial year | | |
|--|--|--|---|--|--|--|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total | Deducted and deposited with the authority | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF | 100% | 100% | Y | 100% | 100% | Y |
| Gratuity | 100% | 100% | Y | 100% | 100% | Y |
| ESI | 11% | 62% | Y | 19% | 57% | Y |
| Others – Mediclaim/ Hospitalization Policy | 89% | 38% | Y | 81% | 43% | Y |

3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

- Yes, wherever possible provision for access to differently abled persons is provided.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

- Yes. The policy is available on the Company's website at <http://www.balajiamines.com/pdf/1686925902Human%20Rights%20Policy.pdf>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

| Gender | Permanent employees | | Permanent workers | |
|--------------|---------------------|----------------|---------------------|----------------|
| | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | NA | NA | NA | NA |
| Female | 100% | 100% | NA | NA |
| Total | 100% | 100% | NA | NA |

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

| | Yes/No (If Yes, then give details of the mechanism in brief) |
|--------------------------------|---|
| Permanent Workers | Yes, Grievance Redressal Committee has been constituted by the Company to redress the grievances & complaints of all categories of employees and workers of the company. For facilities where unions are not functional/available, employees are free to reach out line managers or welfare officers or HR personnel. |
| Other than Permanent Workers | |
| Permanent Employees | |
| Other than Permanent Employees | |


7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

| Category | FY 2022-23 Current Financial year | | | FY 2021-22 Previous Financial year | | |
|--------------------------------|--|--|---------|--|--|---------|
| | Total employees/workers in respective category (A) | No. of employees/workers in respective category, who are part of association(s) or Union (B) | % (B/A) | Total employees/workers in respective category (C) | No. Of employees/workers in respective category, who are part of association(s) or Union (D) | % (D/C) |
| Total Permanent | | | | | | |
| - Male | NA | NA | NA | NA | NA | NA |
| - Female | NA | NA | NA | NA | NA | NA |
| Total Permanent Workers | | | | | | |
| - Male | 636 | 636 | 100% | 625 | 625 | 100% |
| - Female | 0 | 0 | 0 | 0 | 0 | 0 |

8. Details of training given to employees and workers:

| Category | FY 2022-23 Current Financial year | | | | | FY 2021-22 Previous Financial year | | | | |
|------------------|-----------------------------------|-------------------------------|------------|----------------------|------------|------------------------------------|-------------------------------|------------|----------------------|------------|
| | Total (A) | On and Measures Health Safety | | On skill Upgradation | | Total (D) | On and Measures Health Safety | | On skill Upgradation | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| Employees | | | | | | | | | | |
| Male | 451 | 382 | 82% | 408 | 88% | 375 | 300 | 80% | 300 | 80% |
| Female | 24 | 20 | 83% | 24 | 100% | 19 | 15 | 80% | 18 | 95% |
| Total | 475 | 402 | 81% | 432 | 87% | 394 | 315 | 80% | 318 | 81% |
| Worker | | | | | | | | | | |
| Male | 636 | 585 | 92% | 615 | 97% | 625 | 468 | 75% | 524 | 84% |
| Female | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 636 | 585 | 92% | 615 | 97% | 625 | 468 | 75% | 524 | 84% |

9. Details of performance and career development reviews of employees and worker:

- We have periodical performance reviews of all the employees and workers with designated head of departments. This will enable the HR function to review with top management for effective performance of each worker and employee on an ongoing basis. The company has a once in two years increment cycle for employees. Based on the performance review the employees are given promotion/ career progression opportunities, Workers are linked to Union cadre – for this category the increment cycle, promotions and career development is applicable for every year.

| Category | FY 2022-23 Current Financial year | | | FY 2021-22 Previous Financial year | | |
|------------------|-----------------------------------|------------|-------------|------------------------------------|------------|-------------|
| | Total (A) | No. (B) | % (B/A) | Total (C) | No. (D) | %(D/ C) |
| Employees | | | | | | |
| Male | NA | NA | NA | 375 | 375 | 100% |
| Female | NA | NA | NA | 19 | 19 | 100% |
| Total | NA | NA | NA | 394 | 394 | 100% |
| Workers | | | | | | |
| Male | 636 | 636 | 100% | 625 | 625 | 100% |
| Female | 0 | 0 | 0% | 0 | 0 | 0 |
| Total | 636 | 636 | 100% | 625 | 625 | 100% |

10. Health and safety management system:

- a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?**

- Yes, we have an EHS department, EHS activity like different types of safety training, first aid training, medical checkup of employees, risk assessment, legal compliance, mock drills & implementation of safety management system. etc. requirement etc, have been carried out.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

- Work related hazards have been identified by following methods -
 - a) Conduct regular worksite inspections,
 - b) Interaction with workers and managers,
 - c) Incidence & Near Miss Records evaluation.
 - d) Critical safety observations are discussed in safety meetings and in safety committee meetings. Corrective and preventive actions are taken.
 - e) Potential Risk areas are reviewed from time to time for Gap Analysis and corrective measures are taken.
 - f) During issuance of permits, the Risk areas are identified & mitigated.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

- Yes, we have the process of all workforce being empowered to report work related hazards and remove themselves from such risk. We have a system in place for workers to report near misses and safety observations, which includes unsafe acts or conditions in and around the workplace. Once the report has been made, corrective and preventive actions (CAPA) are undertaken with specified timelines. The same will be reviewed by the respective unit head frequently. This helps us ensure that the workplace is safe for all workers and any potential hazards are identified and addressed promptly.

d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

- Yes, all employees /workers of the company have access to non-occupational medical and healthcare centers. Each unit has a First aid Centre that is manned by certified First Aid staff. This ensures that employees / workers have access to basic medical care and attention when needed, which can help prevent minor injuries and illness from becoming more severe.

11. Details of safety related incidents, in the following format:

| Safety Incident/Number | Category | FY 2022-23 Current Financial year | FY 2021-22 Previous Financial year |
|---|-----------|-----------------------------------|------------------------------------|
| Lost Time Injury Frequency Rate (LTIFR) (per one million) | Employees | Nil | 0.11 |
| | Workers | 1.057 | 1.67 |
| Total recordable work-related injuries | Employees | Nil | 1 |
| | Workers | 17 | 19 |
| No. of fatalities | Employees | Nil | Nil |
| | Workers | 1 | Nil |
| High consequence work-related injury or ill-health | Employees | Nil | Nil |
| | Workers | Nil | Nil |

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

- The health, safety and well-being of our employees is our top priority. Following measures are taken to ensure a safe and healthy workplace.
 - ☛ Daily Inspection of workplace and enforcing Safety Permits system
 - ☛ Health and safety awareness programs & training.
 - ☛ Regular Safety Review meetings.
 - ☛ Maintained health, safety records and reviewed.
 - ☛ Employees are rewarded for safe behavior and reporting.
 - ☛ Housekeeping is maintained.
 - ☛ Mock drills are conducted with various teams periodically such that each worker and employee are fully trained to manage any eventuality.



- Conducted health checkup for 100 % employees and workers every year.
- Safety proxy Team is made by nominating operation persons from each plant & each shift to take care of any emergency in an odd hour. This Team is imparted both fire & safety training.
- All sites have a hydrant station, network, fire Alarm system & detectors for flammable chemicals.
- Design & Technology credible Licensors taken care of Process Safety, emissions & volatile organic compounds (VOCs)

13. Number of Complaints on the following made by employees and workers:

| | FY 2022-23 Current Financial year | | | FY 2021-22 Previous Financial year | | |
|--------------------|-----------------------------------|---------------------------------------|---------|------------------------------------|---------------------------------------|---------|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | NIL | NIL | NIL | NIL | NIL | NIL |
| Health & Safety | NIL | NIL | NIL | NIL | NIL | NIL |

14. Assessments for the year:

| | % of your plants and offices that were assessed |
|-----------------------------|---|
| Health and safety practices | 100% |
| Working Conditions | 100% |

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

- Automation with field instrument redundancy and interlocks.
- Lightening protection, movable earthing for floating Roof (Variable volume) Tanks.
- Water seal pots for flammable gas/vapors release etc.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N), (B) Workers (Y/N)

- Yes. BAL has a scheme in place to provide Financial Assistance to the legal dependents of the permanent employees/workers in case of death while in service. In addition to this, the employees/workers are covered under the Group Personal Accident (GPA) Policy. The GPA Policy is also being extended to the contract employees working in manufacturing units and offices.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

- The Company monitors and tracks the compliance related to statutory dues internally as a part of regular checks while processing the invoices. Monthly Internal audits are also conducted to ensure compliance.

3. Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment

| | Total no. of affected employees/workers | | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment | |
|-----------|---|------------|---|------------|
| | FY 2022-23 | FY 2021-22 | FY 2022-23 | FY 2021-22 |
| Employees | 0 | 0 | 0 | 0 |
| Workers | 1 | 0 | 1 | 0 |

PRINCIPLE 4 : BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

- Investors contributing capital are important stakeholders. We are privileged to share a strong relationship with investors based on a deep understanding of their expectations and our commitment to consistently fulfill them. Stakeholders' value creation is a reflection of our commitment to enhance. Employees enable us to create value for our stakeholders and organization. Suppliers are our key stakeholders who enable us to deliver business value. Our commitment to inclusive growth ensures our customers get maximum value with sustainable business practices. Our stakeholders are our investors, clients, employees, suppliers, government / regulators and the community at large.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/Half yearly/Quarterly /others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---------------------------|--|---|---|---|
| Shareholders/ Investors | No | Press releases and press Conferences, Annual General Meeting, email, Advertisement in Newspapers, facility of Visits, investor Conferences, conference calls | Annually, Half Yearly, Quarterly and Need Basis | <ul style="list-style-type: none"> • Helping investors voice their concerns regarding the company's policies, strategy, etc. • Educating the investor community • Understanding shareholder expectations |
| Clients/ Customers | No | Discussion, Meetings, Calls and Conferences, Office, Visits on Projects, Management reviews, Relationship meetings and briefings, sponsored events, Newsletters, brochures etc. | Continuous as needed. Annually, Half yearly & Quarterly | <ul style="list-style-type: none"> • Understanding client, industry • business challenges • Identifying opportunities to improve products and services • Deciding on investments and capabilities required to fulfill demand • Understanding client's data privacy and security requirements |
| Employees | No | Conference Calls, Video Conferencing, Group Discussions, One to One Interactions, Review on Operations | Daily | <ul style="list-style-type: none"> • Career Management and Growth Prospects • Learning opportunities • Compensation structure • Building a safety culture and inculcating safe work practices among employees • Improving Diversity and Inclusion |
| Suppliers / Collaborators | No | Meetings/calls, visits, events | Monthly & Quarterly | <ul style="list-style-type: none"> • Demand Sustainability • Credit worthiness • Ethical Behavior • Fair Business Practices • Governance |



| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/Half yearly/Quarterly /others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|--|--|--|---|---|
| Government / Regulators | No | Project meetings, reviews, calls, surveys, Circulars, consultative sessions, field visits, due diligence, press releases, press conferences, media interviews and quotes, sponsored events as needed | Continuous | <ul style="list-style-type: none"> Understand areas for sustainable development Discussions on performance and formulate strategy; Share and contribute to thought leadership and insight into public and business concerns; Work in partnership to develop solutions to global challenges Ensure Compliance of all applicable laws, rules and regulations |
| All other stakeholders or community at large | No | Newspaper Advertisement, TV Interviews, Events, Surveys, Press Releases, Visits, Press conferences | As needed | <ul style="list-style-type: none"> Knowledge-exchange collaboration Job creation and other opportunities Continuous Development |

Leadership Indicators

- Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**
 - The Company's management regularly interacts with the investors, customers, suppliers, employees etc. Stakeholders Relationship Committee updates the progress of actions to the Board and takes inputs on a periodic basis.
- Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**
 - Yes. As the Stakeholders are an essential part of the business, we regularly interact with them to ensure that our business operations are aligned with their interests in a sustainable manner. We have aligned our environmental management goals based on the discussions with the community periodically. Based on their review, we have updated our policies and internal systems.
- Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**
 - The Company understands the needs of the society and undertakes several measures to improve the life of vulnerable and marginalized stakeholders through its CSR Initiatives. The Company ensures that the CSR Funds are utilized in an optimum manner that uplifts the weaker sections of the society.

PRINCIPLE 5 : BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators

- Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

| Category | FY 2022-23 | | | FY 2021-22 | | |
|------------------------|------------|---------------------------------------|-------------|------------|---------------------------------------|---------|
| | Total (A) | No. of employees/ workers covered (B) | % (B/A) | Total (C) | No. of employees/ workers covered (D) | % (D/C) |
| Employees | | | | | | |
| Permanent | 475 | 475 | 100% | NIL | NIL | NIL |
| Other Than Permanent | 26 | 26 | 100% | NIL | NIL | NIL |
| Total Employees | 501 | 501 | 100% | | | |

| Category | FY 2022-23 | | | FY 2021-22 | | |
|------------------------|------------|--------------------------------------|-------------|------------|--------------------------------------|------------|
| | Total (A) | No. of employees/workers covered (B) | % (B/A) | Total (C) | No. of employees/workers covered (D) | % (D/C) |
| Workers | | | | | | |
| Permanent | 636 | 636 | 100% | NIL | NIL | NIL |
| Other Than Permanent | 104 | 104 | 100% | NIL | NIL | NIL |
| Total Employees | 740 | 740 | 100% | NIL | NIL | NIL |

2. Details of minimum wages paid to employees and workers, in the following format:

| Category | FY 2022-23 | | | | | FY 2021-22 | | | | |
|-----------------------------|------------|-----------------------|------------|------------------------|-------------|------------|-----------------------|-------------|------------------------|------------|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| Employees | | | | | | | | | | |
| Permanent | 475 | 0 | 0 | 475 | 100% | 394 | 0 | 0 | 394 | 100% |
| Male | 451 | 0 | 0 | 451 | 100% | 375 | 0 | 0 | 375 | 100% |
| Female | 24 | 0 | 0 | 24 | 100% | 19 | 0 | 0 | 19 | 100% |
| Other than Permanent | 26 | 0 | 0 | 26 | 100% | 8 | 8 | 100% | 0 | 0 |
| Male | 21 | 0 | 0 | 21 | 100% | 5 | 5 | 100% | 0 | 0 |
| Female | 5 | 0 | 0 | 5 | 100% | 3 | 3 | 100% | 0 | 0 |
| Worker | | | | | | | | | | |
| Permanent | 636 | 0 | 0 | 636 | 100% | 625 | 0 | 0 | 625 | 100% |
| Male | 636 | 0 | 0 | 636 | 100% | 625 | 0 | 0 | 625 | 100% |
| Female | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other than Permanent | 104 | 38 | 37% | 66 | 63% | 144 | 30 | 20% | 114 | 80% |
| Male | 104 | 38 | 37% | 66 | 63% | 144 | 30 | 20% | 114 | 80% |
| Female | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

3. Details of remuneration/salary/wages, in the following format:

| | Male | | Female | |
|--------------------------|--------|---|--------|---|
| | Number | Median remuneration/ salary/ wages of respective category | Number | Median remuneration/ salary/ wages of respective category |
| Board of Directors* | 9 | 47,67,600 | 1 | 0 |
| Key Managerial Personnel | 1 | 5,88,396 | 0 | 0 |
| Employees other than BOD | 475 | 4,03,073 | 24 | 3,87,561 |
| Workers | 636 | 2,57,681 | 0 | 0 |

*Excludes sitting fees paid to Independent Directors. Includes remuneration paid to Managing Director and CFO.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

➤ Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

➤ Reporting avenues have been provided for BAL employees, customers, suppliers and other stakeholders to raise concerns or make disclosures when they become aware of any actual or potential violation of the company code, policies or law including human rights violation. Representations made in the reporting avenues are reviewed and appropriate action is taken on substantiated violations. During the entire investigation process, BAL provides protection to the complainant as well as to the person against whom a complaint is done.


6. Number of Complaints on the following made by employees and workers:

| | FY 2022-23 | | | FY 2021-22 | | |
|-----------------------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Sexual | 0 | 0 | 0 | 0 | 0 | 0 |
| Discrimination at workplace | 0 | 0 | 0 | 0 | 0 | 0 |
| Child Labour | 0 | 0 | 0 | 0 | 0 | 0 |
| Forced Labour/ Involuntary Labour | 0 | 0 | 0 | 0 | 0 | 0 |
| Wages | 0 | 0 | 0 | 0 | 0 | 0 |
| Other human rights related issues | 0 | 0 | 0 | 0 | 0 | 0 |

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

- Concerns on discrimination and harassment are dealt with confidentiality. BAL does not tolerate any form of retaliation against anyone reporting good faith concerns. Anyone involved in targeting such a person raising such complaints will be subject to disciplinary action.
- The Company has formulated Internal Complaint Committee as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and also adopted the Whistleblower Policy which condemns any kind of discrimination, harassment, victimisation or any other unfair employment practice being adopted against Whistleblowers. The Company takes appropriate action on the reported matter and ensures that the complainant does not undergo adverse consequences.

8. Do human rights requirements form part of your business agreements and contracts?

- Yes

9. Assessments for the years:

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|--|
| Child labour | |
| Forced/involuntary labour | |
| Sexual harassment | 100% |
| Discrimination at workplace | |
| Wages | |

10. Provide details of any corrective actions taken or underway to address significant risks /concerns arising from the assessments at Question 9 above.

- Not applicable

Leadership Indicators
1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

- No complaints have been received during the Financial Year under review. Accordingly, no business processes have been modified or introduced for addressing human rights grievances/complaints.

2. Details of the scope and coverage of any human rights due diligence conducted.

- Not applicable.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

- Our establishments are accessible to the differently abled, and we are continuously working towards improving infrastructure for eliminating barriers to accessibility.

4. Details on assessment of value chain partners

- Some of the areas identified for formal assessment of the value chain partners are at various CSR initiatives for Human Rights has been conducted.

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above

- Not applicable.

PRINCIPLE 6 : BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

| Parameter | FY 2022-23 | FY2021-22 |
|--|-------------------------|-------------------|
| Total electricity consumption (A) Kilowatts /Annum or Giga joules/Annum | 39893156 /418156 | 39884346 / 399846 |
| Total fuel consumption (B) MT/Annum or Giga Joules/Annum | 98990/ 1723811 | 123834/2160542 |
| Energy consumption through other sources (C) MT/Annum of Hydrogen off gas or Giga Joules/Annum | 298 /- 44837 | 152 / -22873 |
| Total energy consumption (A+B+C) Giga Joules /Annum | 2105664 | 2550094 |
| Energy intensity per rupee of Turnover (Giga Joules/INR Turnover) (Total energy consumption/turnover in rupees) | 0.0000028 | 0.0000032 |
| Energy intensity (optional) - the relevant metric may be selected by the entity (Kilojoules/INR Turnover) | 118.30 | 133.95 |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

- We are following the Bureau of Energy Efficiency (BEE) – Ministry of Power Guidelines for Evaluation.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

- Till date BAL no site /facilities are identified as designated consumers (DC's) under PAT scheme. Even though BAL is not part of PAT Cycle, Management has Year on Year taken Energy reduction targets to reduce carbon footprint as a responsible Corporate. Following are the major activities undertaken as Energy Reduction measures.
- Process RO unit-3 Automation and Efficiency Improvement in terms of Selectivity has resulted in ~ 11.54 Gcal/ day or ~4.8 t CO₂ e emission reductions per day.
- In place of Steam Ejectors for Distillation Columns, installation of the Dry Vacuum Pumps. The Energy Saved is ~ 4 Million Calories /hr or 28 Giga Calories per Annum. This has reduced the Carbon Footprint by ~12 tCO₂e.
- By Product effluent Gas utilization as Clean Fuel for Manufacturing facilities of various process plants. This has reduced the Carbon footprint by 10728 Gcal/ annum or 3162t CO₂e is reduced and this is being pursued year on year by the Company as commitment towards the responsibility towards Environment aspects.
- With Automation, Temperature profiles of Solid Fuel Fired Furnaces are monitored and Controlled to Optimize Fuel Consumption and Control NO_x emissions. The maximum Heat of Flue Gases are recovered in Air Preheaters, Economisers to enhance the Steam Generators Combined cycle Efficiency and Electrostatic Precipitators are installed to keep particulate matters in compliance with regulatory standards.
- Continual engagement of Operation Team in-terms of Steam Trap audits to avoid Steam Leakages and Energy Losses. Steam Traps MIS is followed for Monitoring.



- ▶ Thermography of Insulated Pipe lines and Steam Generation Equipment to minimize the Heat losses attributable to radiation.
- ▶ Installation of AC Drives to majority Compressors to optimize Power based on RPM and capacity control.
- ▶ Installation of High Efficiency Process Pumps and Motors with IE-4 category.
- ▶ Maximizing Asset Utilisation and Heat Integration to reduce Specific Consumption Norms for Highly Energy Intensive process plants.
- ▶ Implementation of CIP systems in Multiple Effect Evaporators to reduce Steam Consumption Norms from 1.2 T Steam /T of Inorganic Effluent to 0.6-0.65 T Steam/T of Inorganic Effluent (Falling Film Type Multiple Effect Evaporators). In New Expansions, Targeted Steam Consumption Norms to the Extent of 0.3-0.35 T/T of Inorganic Effluent using Forced Circulation MEE with CIP provision. This has resulted in 15.6 Gcal/Day Energy Reduction or in terms of Emissions, it is 6.8 t CO₂ e.

3. Provide details of the following disclosures related to water, in the following format:

| Parameter | FY 2022-23 | FY 2021-22 |
|--|-----------------|-----------------|
| Water withdrawal by source (in kilolitres) | | |
| (i) Surface water | 4,75,803 | 3,62,157 |
| (ii) Groundwater | 1,83,013 | 1,87,709 |
| (iii) Third party water | 1,631 | 2,415 |
| (iv) Seawater / desalinated water | 0 | 0 |
| (v) Others | 0 | 0 |
| Total volume of water withdrawal (in Kilolitres) (i + ii + iii + iv + v) | 6,60,447 | 5,52,281 |
| Total volume of water consumption (in Kilolitres) | 6,60,447 | 5,52,281 |
| Water intensity per rupee of turnover (Water consumed in KL/Crore INR turnover) | 371.04 | 287.94 |
| Water intensity (optional) - the relevant metric may be selected by the entity | - | - |

Note I - The increase in Consumption of water is primarily due to Green Field Expansion Construction activity and Tree plantation on 33% plot area at Unit-4 ~ 45000 m³ and Hotel Division water consumption is increased by 20000 m³, total increment with respect to FY 2021-22 ~ 65000 m³. Hotel Division Low Water consumption in FY 2021-22 is attributable to low occupancy due to COVID Pandemic. Discounting this incremental increase in water from overall Consumption, the Index of Water Intensity /Turnover in KL/Crore INR turnover will change from 371.04 to 334.52.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

- Yes, the company has taken Water Treatment, Technology and Bio ETP experts on Board mainly for conservation, optimisation and quality of water. Internal assessment for avenues of water reduction are constantly explored.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

- Yes, all the BAL sites have implemented a mechanism for Zero Liquid Discharge.
 - a. The Coverage is for both Organic and Inorganic Effluents.
 - b. For Inorganic Effluents, it is a combination of Pretreatment plants including Clarifloculators, Ultra Filtration Units, High Pressure Reverse Osmosis plants followed by Multiple Effect Evaporators /WHE (Pervaporation Membrane type Waste Heat Evaporators) and ATFD.
 - c. Company is constantly engaging in new state of art technologies for Water recycle in terms of Reverse Osmosis Membranes, WHE Pervaporation Membranes, MVRE technology.
 - d. Company has taken onboard Experts for both Inorganic and Organic Effluent Treatment and recycle with continual improvements in terms of operational efficiencies.
 - e. Overall Inorganic Water handled for Zero Discharge is ~ 333 CMD.
 - f. Organic Effluent Treatment is a combination of State of Art Bio ETP /High Pressure RO units followed by TFM (Tertiary Treatment – Tubular Filter Membranes) and Reverse Osmosis plant.
 - g. Overall Organic Water handled for Zero Discharge is ~ 493 CMD

- h. These efforts have reduced the overall Water FootPrint to the extent of ~ 826 CMD and complemented the regional water aspect being a water stressed region.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

| Parameter | Please specify Unit | FY 2022-23 | FY 2021-22 |
|-------------------------------------|---------------------|------------|------------|
| NOx | μ / cub | < 22 | <22 |
| SOx | μ / cub | < 18 | <18 |
| Particulate matter (PM) | μ / cub | < 70 | <70 |
| Persistent organic pollutants (POP) | NA | NA | NA |
| Volatile organic compounds (VOC) | | NA | |
| Hazardous air pollutants (HAP) | | NA | NA |
| Others – please specify | | NA | NA |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

- Yes, Deputed the NABL accredited Third Party as per Statutory Requirement.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

- Scope 1 Emissions and its intensity in terms of t CO₂e

| Parameters | Unit of Measurement (UOM) | FY-2022-23 |
|------------------|-----------------------------|------------|
| CO ₂ | Million t CO ₂ e | 0.152 |
| N ₂ O | Million t CO ₂ e | Nil |
| CH ₄ | Million t CO ₂ e | Nil |
| HFCS | Million t CO ₂ e | 0.000231 |

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

- Yes, we are planning for following projects,
- 1] Replacement of Refrigerants in existing installations, in phase manner based on their GWP (Global Warming Potential) and equivalent Carbon footprint.
 - 2] Installation of Back Pressure Steam Turbine scheme in place of Pressure Reducing Stations for FY-2023-24.
 - 3] Renewable Power (Solar Power) installation linked to New Expansions for FY-2023-24.

8. Provide details related to waste management by the entity, in the following format:

| Parameter | FY 2022-23 | FY 2021-22 |
|--|-----------------|-----------------|
| Total Waste generated (in metric tonnes) | | |
| Plastic waste (A) | NIL | NIL |
| E-waste (B) | NIL | NIL |
| Bio-medical waste (C) | NIL | NIL |
| Construction and demolition waste (D) | NIL | NIL |
| Battery waste (E) | NIL | NIL |
| Radioactive waste (F) | NIL | NIL |
| Other Hazardous waste. Please specify, if any. Includes Distillation Residue and Chemical Sludge from Waste water Treatment in MT /Annum (G) | 272.73 | 307.44 |
| Other Non-hazardous waste generated. Please specify, if any. Includes Boiler Ash, Corn Cob waste, Scrap material, Wooden Pallets, Woven Sack Bags, etc) in MT / Annum (Break-up by composition i.e. by materials relevant to the sector) (H) | 4,637 | 7,191 |
| Total (A+B + C + D + E + F + G + H) | 4,909.73 | 7,498.44 |



| Parameter | FY 2022-23 | FY 2021-22 |
|--|----------------|----------------|
| For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes) | | |
| Category of waste | | |
| (i) Recycled | Nil | Nil |
| (ii) Re-used | Nil | Nil |
| (iii) Other recovery operations | Nil | Nil |
| Total | Nil | Nil |
| For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes) | | |
| Category of waste | | |
| (i) Incineration through CHWTSDf | 113.06 | 121.35 |
| (ii) Landfilling through CHWTSDf | 159.67 | 186.09 |
| (iii) Other disposal operations | 4,637 | 7,191 |
| Total | 4909.73 | 7498.44 |

Note:

- Green Field project Expansion Construction debris are being recycled in Construction activity. The Excavated Soil is recycled for land filling and plantation.
- Company has disposed off the used drums (plastic and MS) to registered parties/ Registered recycler. Total no. of Drums (plastic and MS) disposed off during FY 2022-23 are 3473 no or appx 208 MT.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

- Following Waste Management Practices adopted by Company:
 - Incineration through CHWTSDf;
 - Land filling after treatment through CHWTSDf;
 - Some of the Waste e.g. Spent Oil through Authorised Recycler;
 - Own Incineration facility with Steam Cogeneration is in place;
 - Membrane Technologies for the reduction of inorganic waste and further integrated with Multiple effect evaporators and ATFD units;
 - Best Process plant Technologies whereby waste is controlled at source and provisions of recycles are in place.
- **Strategies adopted by the Company to reduce hazardous and Toxic chemicals in Products and Processes:**
 - Selection of Process Route and Technology using Chemicals which are Safe to handle, store, use and are Biodegradable.
 - Catalyst selection in most of the reactions controls the unwanted/undesired side reactions, bi-products and Residue formation.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

| S. No. | Location of operations/offices | Type of operations | Whether the conditions of environmental approval/ clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|----------------|--------------------------------|--------------------|--|
| Not Applicable | | | |

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) | Relevant Web link |
|--|----------------------|------------|---|--|-------------------------------------|
| Unit 4, MIDC Chincholi (Expansion of Organic and Speciality Chemicals Manufacturing) | 14 September 2006 | 23-02-2023 | Yes | Yes | Report available on Company Website |

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

| S. No. | Specify the law/regulation/ guidelines which was not complied with | Provide details of the non-compliance | Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|--------|--|---------------------------------------|---|---------------------------------|
| | Company is meeting all Compliances with applicable environment law/regulations /guidelines in India such as Water Act, Air act, Environment protection act and rules thereunder and is being demonstrated in Six monthly MOEF Compliance documents and also the new projects are being undertaken as and when New /revised law/regulations/guidelines are being communicated by respective Authorities/ agency . | | | |

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

| Parameter | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
|---|-------------------------------------|--------------------------------------|
| From renewable sources (in GJoules/Annum) | | |
| Total electricity consumption (A) | 9,860 | 14,230 |
| Total fuel consumption (B) | 44,837 | 22,873 |
| Energy consumption through other sources (C) | 11,109 | 8,124 |
| Total energy consumed from renewable sources (A+B+C) | 65,806 | 45,227 |
| From non-renewable sources | | |
| Total electricity consumption (D) | 4,39,125 | 4,22,199 |
| Total fuel consumption (E) | 17,23,811 | 21,60,542 |
| Energy consumption through other sources (F) | 0 | 0 |
| Total energy consumed from non-renewable sources (D+E+F) | 21,62,936 | 25,82,741 |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:

➤ No. The evaluation is based on Bureau of Energy, Ministry of Power Guidelines being followed.

2. Provide the following details related to water discharged:

➤ BAL all sites being ZLD Manufacturing facilities, the water discharge criteria is not applicable to us.

| Parameter | FY 2022-23 | FY 2021-22 |
|---|------------|------------|
| Water discharge by destination and level of treatment (in kilolitres) | | |
| (i) To Surface water | NA | NA |
| - No treatment | NA | NA |
| - With treatment – please specify level of treatment | NA | NA |
| (ii) To Groundwater | NA | NA |
| - No treatment | NA | NA |
| - With treatment – please specify level of treatment | NA | NA |



| Parameter | FY 2022-23 | FY 2021-22 |
|--|------------|------------|
| (iii) To Seawater | NA | NA |
| - No treatment | NA | NA |
| - With treatment – please specify level of treatment | NA | NA |
| (iv) Sent to third-parties | NA | NA |
| - No treatment | NA | NA |
| - With treatment – please specify level of treatment | NA | NA |
| (v) Others | NA | NA |
| - No treatment | NA | NA |
| - With treatment – please specify level of treatment | NA | NA |
| Total water discharged (in kilolitres) | NA | NA |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:

➤ For Water Treatment and Recycle, the Company has engaged Experts and Consultants on Board.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

➤ For each facility / plant located in areas of water stress, provide the following information:

- Name of the area: Solapur (New Expansions are being done in designated MIDC area)
- Nature of operations: Manufacturing of Chemicals
- Water withdrawal, consumption and discharge in the following format:

| Parameter | FY 2022-23 | FY 2021-22 |
|---|-----------------|-----------------|
| Water withdrawal by source (in kilolitres) | | |
| (i) Surface water | 4,75,803 | 3,62,157 |
| (ii) Groundwater | 1,83,013 | 1,87,709 |
| (iii) Third party water | 1,631 | 2,415 |
| (iv) Seawater/desalinated water | NA | NA |
| (v) Others | NA | NA |
| Total volume of water withdrawal (in kilolitres) | 6,60,447 | 5,52,281 |
| Total volume of water consumption (in kilolitres) | 6,60,447 | 5,52,281 |
| Water intensity per rupee of turnover (Water consumed/turnover) | 371 | 288 |
| Water intensity (optional) - the relevant metric may be selected by the entity | - | - |
| Water discharge by destination and level of treatment (in kilolitres) | NA | |
| (i) Into Surface water | | |
| - No treatment | | |
| - With treatment - please specify level of treatment | | |
| (ii) Into Groundwater | | |
| - No treatment | | |
| - With treatment - please specify level of treatment | | |
| (iii) Into Seawater | | |
| - No treatment | | |
| - With treatment - please specify level of treatment | | |
| (iv) Sent to third-parties | | |
| - No treatment | | |
| - With treatment - please specify level of treatment | | |
| (v) Others | | |
| - No treatment | | |
| - With treatment - please specify level of treatment | | |
| Total water discharged (in kilolitres) | | |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:

➤ Not Applicable

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

| Parameter | Unit | FY 2022-23 | FY 2021-22 |
|---|------|------------|------------|
| Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | | NA | NA |
| Total Scope 3 emissions per rupee of turnover | | NA | NA |
| Total Scope 3 emission intensity (optional) - the relevant metric may be selected by the entity | | NA | NA |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

➤ The sites and Expansions are being awarded Environment Clearances with due consideration that there are no Direct or Indirect impacts on Biodiversity as most of the sites and Expansion plans are located in Designated Industrial areas complying with EPA (Environment Protection Act) and with due assessments, appropriate Infrastructure is provided at all sites with required Environment considerations as per Guidelines.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

| Sr. No. | Initiative undertaken | Details of the initiative | | | Outcome of the initiative |
|---------|--|--|--|--|---|
| | | Air Cooled Condenser Tag no. | HTA m2 | Heat Duty in Millionkcal/hr | Saving of Water M3/hr |
| 1 | Unit 4 Expansion Installed Air Cooled Condensers in process plant as a substitute to Conventional Induced Draft Cooling Tower. In | E1107 | 2149 | 0.47 | 0.87 |
| | | E1201 | 2521 | 0.25 | 0.46 |
| | | E1203 | 17550 | 3.37 | 6.24 |
| | | E1206 | 1263 | 0.258 | 0.48 |
| | | E1207 B | 2643 | 0.335 | 0.62 |
| | | E1207C | 1002 | 0.04 | 0.074 |
| | | | | Sub-Total | 8.74 m3/hr or 210 M3/day |
| 2 | RO Membrane efficiency Improvement in terms of Selectivity of Membranes and Automation in Unit3 Amine Derivatives Plant in Terms of Maximization of Permeate quantity and reduction in quantity of Reject to reduce Hydraulic Load of Evaporators in-terms of Reject Recycle and saving in Steam Consumption | Unit-3 Amine Derivatives RO | Reject Quantity reduced from 24 KL /day to Avg 6.0 KL/Day, Equivalent Load on Graphite Evaporators is reduced. | Steam saving of ~20 MT/day | In terms of Energy Savings, it is equivalent to 11.54 Giga Calories or in terms of t CO2e, it is ~4.8 t CO2e emissions are reduced. |
| 3 | CIP of Multiple Effect Evaporators | Unit-3 and Unit-1 In organic Effluent Treatment Stream | Steam to water ratio reduced from 1.2 T/T to 0.6-0.65 T/T for Falling Film Evaporators | Overall Steam saving of both sites is ~ 27 MT/ Day | The equivalent Energy Saving is 15.60 Gcal/ Day or 6.48 t CO2 equivalent Emission is reduced. |



7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

- BAL has an onsite Emergency plan for all sites. Though for any Emergency (Inside as well outside) there are trained teams consisting of Operation, Engineering, Safety and Fire crew available at all sites with required Tools and Tackles for identified Emergencies and preparedness is ensured through Risks mitigation. Also BAL team works in close coordination with Local authorities like Fire Dept, MIDC, Collector office, State Pollution Boards etc All the Hazardous chemical storages are equipped with Fire and Safety infrastructure, periodic testing and Inspection is done for ensuring Mechanical Integrity. Suitable Pressure Control systems and accessories are installed for Control and Monitoring. Certain tank farm areas are in compliance with PESO regulations and 100% compliance is ensured. Area Classification guidelines are ensured as per IS, ATEX and NFPA guidelines.
- BAL has prepared policy frameworks inside premises whereby major loading and Unloading activities are restricted in silent hours and accordingly infrastructure is created. All Raw material and Finished Good Tankers are in compliance with HAZCHEM, SMPV Guidelines ensuring during Transport the Risk associated in Public areas are taken care. All the Drums /containers are as per UN Code and with compatible Material of Construction.
- The risks associated in the value chain are identified and the mitigation measures are taken.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

- There is no significant impact arising from the value chain, though continual efforts are being put in identifying various risks associated and mitigation measures are taken to avoid any adversity.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

- The credentials of all value chain partners are verified and are part of evaluation and contracts, endorsed by getting details pertaining to relevant certifications and standards.

PRINCIPLE 7 : BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

- Refer to response below

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.

| S. No. | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/associations |
|--------|---|---|
| 1 | Basic Chemicals Cosmetic & Dyes Export Promotion Council | Mumbai |
| 2 | Federation of Indian Export Organisations | Mumbai |
| 3 | Service Export Promotion Council | New Delhi |
| 4 | Indian Chemical Council | Mumbai |
| 5 | Solapur Chamber of Commerce, Industries & Agriculture | Solapur |
| 6 | Federation of Indian Chambers of Commerce & Industry | New Delhi |
| 7 | Chemexcil- Chemicals Export Promotion Council | Mumbai |
| 8 | Federation of Telangana Chambers of Commerce and Industry | Hyderabad |
| 9 | Bulk Drug Manufacturers Association | Hyderabad |
| 10 | Chemical Industries Association | Chennai |

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

- None

PRINCIPLE 8 : BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators

- Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**
 - Not applicable.
- Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**
 - Not Applicable
- Describe the mechanisms to receive and redress grievances of the community.**
 - The Balaji Foundation & Research Centre works closely with the community in identified areas of contribution in the domains of education, healthcare, destitute care, rural development, art and culture, and disaster relief. Within its areas of work, the Foundation has robust mechanisms to assess the impact of projects on intended beneficiaries. These mechanisms range from one-on-one and group discussions with beneficiaries to independent external assessments, among others, and provide ample opportunity to receive and redress grievances of the intended beneficiaries
- Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

| Parameter | Financial Year 2022-23 (Current Financial Year) | Financial Year 2021-22 (Previous Financial Year) |
|--|--|---|
| Directly sourced from MSMEs/ small producers | 24.52% | 17.28% |
| Sourced directly from within the district and neighbouring districts | 3.59% | 2.76% |

Leadership Indicators

- Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**
 - Not Applicable
- Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**
 - Not Applicable
- Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised / vulnerable groups? (Yes/No)**
 - Yes. As a policy, we encourage purchases/ contracts for services from marginalized local communities.
 - From which marginalised/vulnerable groups do you procure?**
 - Socially and Economically backward Communities.
 - What percentage of total procurement (by value) does it constitute?**
 - We have initiated for transportation contractors who are about 20% of our total contractors.
- Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.**
 - Not Applicable
- Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**
 - Not Applicable.



6. Details of beneficiaries of CSR Projects:

| Sr. No. | CSR Project | No. of Person benefited from CSR Projects | Percentage of beneficiaries from vulnerable and marginalised groups |
|---------|----------------------|---|---|
| 1. | Promoting Healthcare | 20,01,644 | 100 |
| 2. | Promoting Education | 26,133 | 100 |
| 3. | Rural Development | 29,29,686 | 100 |
| 4. | Promoting Sports | 2,411 | 100 |

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

- We categories Customer Complaints in terms of Qualitative, Quantitative and Administrative aspects.
- We are committed to surpassing client expectations consistently. We have robust mechanisms to track and respond to customer complaints and feedback in the delivery of our services. Our latest annual client survey indicates that a large set of clients are delighted with Balaji Amines, sustaining the healthy positive client sentiment attained over the years. Client sentiment around our resilience, agility, client centricity, excellence in execution, quality of deliverable, base delivery, tools, and methodologies, is extremely positive.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

| | As a percentage to total turnover |
|---|-----------------------------------|
| Environmental and social parameters relevant to the product | NA |
| Safe and responsible usage | NA |
| Recycling and/or safe disposal | NA |

3. Number of consumer complaints in respect of data privacy, advertising, cybersecurity, delivery of essential services, restrictive trade practices, and unfair trade practices

- We do not have any consumer complaints in respect of data privacy, advertising, cybersecurity, delivery of essential services, restrictive trade practices, unfair trade practices

4. Details of instances of product recalls on account of safety issues:

- Not Applicable

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

- Yes. The web link of the policy at www.balajiamines.com/investorrelations/

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

- Not Applicable

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

- The information on products and services of the Company can be accessed on the website of the company at www.balajiamines.com.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

- Each and every consignment goes with our MSDS which will enable our consumers how to handle and use in any situation

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

- Each customer relationship in Balaji Amines has a business continuity mechanism to handle any disruption of services/products and a suitable communication plan..

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

- No.

5. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact

- In fiscal 2023, there were no substantiated complaints received concerning breaches of customer privacy from outside parties and regulatory authorities.

b. Percentage of data breaches involving personally identifiable information of customers

- Not Applicable



Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company has all the process, protocols and system of Corporate Governance and has been following fair, transparent and ethical governance practices and follows to the Tee and also it to be essential for enhancing long-term shareholder value and retaining investor confidence & trust. Your Company believes that Corporate Governance is about best practices of a business to be imbibed into the culture of the organization and complying with value systems, ethical business practices, complying with laws and regulations to achieve the main objects of the Company through best practices.

The Company believes to grow and be successful by following systems, protocols, policies and practices which are ethical and sustainable while being competitive.

Policies processes, practices and actions of the Company are carefully designed to further the objectives of Good Corporate Governance of the Company, thereby enhancing its performance and improving stakeholder's value and fulfilling its obligations towards the Government, its shareholders, employees and other stakeholders.

2. BOARD OF DIRECTORS

The composition of the Board of your Company is in conformity with the provisions of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time.

The Company's board consists of 10 (Ten) Directors as on 31st March, 2023. Out of 10 Directors, 5 Directors are Independent Directors including one (1) Woman Director. The Chairman of the Board is an Executive Director.

None of the Directors on the Board is a member of more than 10 (Ten) committees or a Chairperson of more than 5 (Five) committees [as stipulated in Regulation 26(1) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations') across all the Indian Public Companies, in which he/she is a Director. The annual disclosure providing the committee position and other Directorship has been made by the Directors.

None of the Independent Directors of the Company had any material pecuniary relationship or transactions with the Company, its promoter, its management during the Year 2022-23, which may affect independence of the Independent Directors. All Directors mentioned above as Independent Directors, fall within the expression of "Independent Directors" as mentioned in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.

a) Number of Board Meetings and Attendance of the Directors at Meetings of the Board and at the Last Annual General Meeting

The Board of Directors met 4 (four) times during the year under review on 11th May, 2022, 12th August, 2022, 27th October, 2022 and 6th February, 2023. The Requisite quorum was present for all the Meetings. The Board met at least once in a calendar quarter and the maximum time gap between any two Meetings was not more than one hundred and twenty days. These Meetings were well attended. The 34th Annual General Meeting was held on 29th June, 2022 through video conferencing mode due to continuing Covid-19 pandemic as per the MCA guidelines.

The names and categories of Directors, their attendance at the Board Meetings held during the year and at the last Annual General Meeting (AGM) held on 29th June, 2022, and also the number of Directorships and committee positions held by them in public limited companies are as follows:

| Name of the Director | Category | No of Board Meetings attended during 2022-23 | Attendance at the Last AGM (29 th June, 2022) | No. of Directorships in Other Companies | | Memberships held in committees of other public Companies* | Chairman-ships held in committees of other Public Companies* | Name of other listed entities where he/she is a director and the category of directorship |
|---|------------------------------------|--|--|---|--------|---|--|--|
| | | | | Private | Public | | | |
| Mr. Ande Prathap Reddy Executive Chairman DIN: 00003967 | Executive Director (Promoter) | 4 | Yes | 1 | 1 | 0 | 0 | - |
| Mr. Dundurapu Ram Reddy Managing Director DIN : 00003864 | Executive Director (Promoter) | 4 | Yes | 6 | 1 | 0 | 0 | - |
| Mr. Rajeshwar Reddy ¹ Nomula Whole-time Director DIN : 00003854 | Executive Director (Promoter) | 4 | Yes | 3 | 1 | 0 | 0 | - |
| Mr. Hemanth Reddy Gaddam ² Whole-time Director & CFO DIN : 00003868 | Executive Director (Promoter) | 4 | Yes | 0 | 1 | 1 | 0 | - |
| Mr. Ande Srinivas Reddy ¹ Whole-time Director & CFO DIN: 03169721 | Executive Director (Promoter) | 4 | Yes | 0 | 0 | 0 | 0 | - |
| Mr. Naveena Chandra Thammishetty ³ Independent Director DIN: 00231636 | Independent Non-Executive Director | 4 | Yes | 2 | 3 | 2 | 1 | 1. Sri KPR Industries Limited- Non-Executive - Independent Director 2. Saaketa Consultant Limited- Executive Director |
| Mr. Amarender Reddy Minupuri ³ Independent Director DIN : 05182741 | Independent Non-Executive Director | 4 | Yes | 0 | 1 | 2 | 0 | - |
| Mr. Satyanarayana Murthy Chavali ³ Independent Director DIN : 00142138 | Independent Non-Executive Director | 3 | Yes | 1 | 2 | 4 | 3 | 1. Gland Pharma Limited -Non-Executive - Independent Director, Shareholder Director 2. Vijaya Diagnostic Centre Limited- Non-Executive - Independent Director |
| Mr. Kashinath Revappa Dhole ³ Independent Director DIN : 01076675 | Independent Non-Executive Director | 4 | Yes | 2 | 1 | 2 | 1 | 1. Smruthi Organics Limited - Non-Executive - Independent Director |



| Name of the Director | Category | No of Board Meetings attended during 2022-23 | Attendance at the Last AGM (29 th June, 2022) | No. of Directorships in Other Companies | | Memberships held in committees of other public Companies* | Chairman-ships held in committees of other Public Companies* | Name of other listed entities where he/she is a director and the category of directorship |
|--|------------------------------------|--|--|---|--------|---|--|---|
| | | | | Private | Public | | | |
| Mrs. Vimala Behram Madon ³ Independent Director DIN : 06925101 | Independent Non-Executive Director | 4 | Yes | 1 | 1 | 0 | 0 | 1. Godavari Drugs Limited- Non-Executive - Independent Director |
| Dr. Suhasini Yatin Shah ⁴ Independent Director DIN: 02168705 | Independent Non-Executive Director | - | - | 2 | 3 | 0 | 2 | 1. Precision Camshafts Limited - Non-Executive Non-Independent Director |
| Dr. Uma Rajiv Pradhan ⁴ Independent Director DIN: 10096017 | Independent Non-Executive Director | - | - | 0 | 0 | 0 | 0 | Nil |
| Mr. Mohan Kumar ⁴ Ramakrishna Independent Director DIN: 09608973 | Independent Non-Executive Director | - | - | 0 | 0 | 0 | 0 | Nil |
| Adabala Seshagiri Rao ⁴ Independent Director DIN: 09608973 | Independent Non-Executive Director | - | - | 0 | 2 | 1 | 2 | Nil |

* Membership/Chairmanship of Audit Committees and Stakeholders' Relationship Committees.

¹ Mr. Rajeshwar Reddy Nomula redesigned as Whole-time Director of the Company with effect from 20th May, 2023 and Mr. Ande Srinivas Reddy, Whole-time Director appointed as Whole-time Director & CFO of the Company with effect from 20th May, 2023.

² Mr. Hemanth Reddy Gaddam resigned as Whole-time Director & CFO of the Company with effect from 20th May, 2023.

³ Mr. Naveena Chandra Thammishetty, Mr. Amarendra Reddy Minupuri, Mr. Satyanarayana Murthy Chavali, Mr. Kashinath Revappa Dhole and Mrs. Vimala Behram Madon has resigned from the office of Independent Directors with effect from 20th May, 2023.

⁴ Dr. Suhasini Yatin Shah, Dr. Uma Rajiv Pradhan, Mr. Mohan Kumar Ramakrishna and Mr. Adabala Seshagiri Rao were appointed as Additional Directors of the Company in the category of Independent Director with effect from 20th May, 2023.

b) Disclosure of relationships between directors inter-se:

1. Mr. Ande Prathap Reddy, Executive Chairman of the Company is father of Mr. Ande Srinivas Reddy, Whole time Director of the Company, Father In Law of Mr. Hemanth Reddy Gaddam, Whole time Director and CFO of the Company and Uncle of Mr. Dundurapu Ram Reddy, Managing Director of the Company.
2. Mr. Dundurapu Ram Reddy, Managing Director of the Company is Nephew of Mr. Ande Prathap Reddy, Executive Chairman of the Company and Cousin of Mr. Ande Srinivas Reddy, Whole time Director of the Company.
3. Mr. Rajeshwar Reddy Nomula, Joint Managing Director of the Company is Brother in Law of Mr. Hemanth Reddy Gaddam, Whole time Director and CFO of the Company.

4. Mr. Hemanth Reddy Gaddam, Whole time Director and CFO of the Company is Son in Law of Mr. Ande Prathap Reddy, Executive Chairman of the Company, Brother in Law of Mr. Rajeshwar Reddy Nomula, Joint Managing Director of the Company and Brother in Law of Mr. Ande Srinivas Reddy, Whole time Director of the Company.
5. Mr. Ande Srinivas Reddy, Whole time Director of the Company Son of Mr. Ande Prathap Reddy, Executive Chairman of the Company, Brother in Law of Mr. Hemanth Reddy Gaddam, Whole time Director and CFO of the Company and Cousin of Mr. Dundurapu Ram Reddy, Managing Director of the Company.

c) Number of Shares held by Non- Executive Directors

| Name of Director | Designation | No. of Shares held |
|----------------------------------|----------------------|---------------------------|
| Mr. Naveena Chandra Thammishetty | Independent Director | 344 |
| Mr. Amarendra Reddy Minupuri | Independent Director | - |
| Mr. Satyanarayana Murthy Chavali | Independent Director | - |
| Mr. Kashinath Revappa Dhole | Independent Director | 131 |
| Mrs. Vimala Behram Madon | Independent Director | - |
| Dr. Suhasini Yatin Shah | Independent Director | - |
| Dr. Uma Rajiv Pradhan | Independent Director | - |
| Mr. Mohan Kumar Ramakrishna | Independent Director | - |
| Mr. Adabala Seshagiri Rao | Independent Director | - |

d) Familiarization Programme

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

A formal familiarization programme was conducted about the amendments in the Companies Act, 2013, Rules prescribed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable laws of the Company. Company do notify the changes in all the applicable laws from time to time to the Board of Directors regularly in every Board Meeting.

The details of the familiarization programme for Directors are available on the Company's website at the link: www.balajiamines.com/investor-relations.

e) Skills / Expertise / Competencies of the Board of Directors

The following is the list of core skills / expertise / competencies identified by the Board of Directors that are required in the context of the Company's business and that the said skills are available with the Board Members:

- Knowledge on Company's business policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
- Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
- Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making
- Financial and Management skills, Risk assessment and mitigation, troubleshooting etc.
- Technical / Professional skills and specialized knowledge in relation to Company's business.

| List of skills/ competencies required in Names of Directors having such relation to business operations | Mr. Ande Prathap Reddy | Mr. Dundurapu Ram Reddy | Mr. Rajeshwar Reddy Nomula | Mr. Ande Srinivas Reddy | Dr. Suhasini Yatin Shah | Dr. Uma Rajiv Pradhan | Mr. Mohan Kumar Ramakrishna | Mr. Adabala Seshagiri Rao |
|--|-------------------------------|--------------------------------|-----------------------------------|--------------------------------|--------------------------------|------------------------------|------------------------------------|----------------------------------|
| Finance, Law, Management, Administration | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Industry/ Sector Knowledge | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Corporate Governance, Strategic Management | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| International Marketing and Sales | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |



- f) Confirmation that in the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management.

The Board of Directors be and is hereby confirm that in the opinion of the Board, the Independent Directors fulfill the conditions specified by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are independent of the management.

3. COMMITTEES OF THE BOARD

Your Company has Six Board level Committees – Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and Research & Development Committee. All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of service for Committee Members are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of Meetings held during the financial year and the related attendance, are provided below:

a. Audit Committee

The Company has a qualified and independent audit committee which consists of 3 Independent Directors, who shall provide assistance to the Board of Directors in fulfilling its responsibilities.

The composition of the Audit committee is in accordance with the requirements of the Regulations under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also Section 177 of the Companies Act, 2013 and Rule 6 and 7 of Companies (Meetings of Board and its Powers) Rules, 2014.

The Audit Committee meets regularly as required and exercises its powers in accordance with the framework defined by the Board. The terms of reference of the Audit Committee are as set out by the Board which is in accordance with the aforesaid provisions.

During the year under review, four meetings of the Committee were held on 11th May, 2022, 12th August, 2022, 27th October, 2022 and 6th February, 2023. The gap between two meetings did not exceed one hundred and twenty days. There were no changes in the constitution of the Audit Committee during the year. The composition of the Audit Committee and the details of meetings attended by each of the members are given below:

| Name | Designation | Category | No. of Meetings Attended |
|-----------------------------------|-------------|----------------------------|--------------------------|
| Mr. Naveena Chandra Thammishetty* | Chairman | Independent, Non-Executive | 4 |
| Mr. Amarender Reddy Minupuri® | Member | Independent, Non-Executive | 4 |
| Mr. Satyanarayana Murthy Chavali® | Member | Independent, Non-Executive | 4 |
| Mr. Adabala Seshagiri Rao# | Chairman | Independent, Non-Executive | - |
| Dr. Suhasini Yatin Shah# | Member | Independent, Non-Executive | - |
| Mr. Mohan Kumar Ramakrishna# | Member | Independent, Non-Executive | - |

*ceased to be a Chairman of the Committee with effect from 20th May, 2023.

®ceased to be member of the Committee with effect from 20th May, 2023.

#The Board has re-constituted the Committee in the Board Meeting held on 20th May, 2023.

The terms of reference of the Audit Committee are as under:

- Overview of Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are accurate, sufficient and credible;
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of auditors and fixation of audit fee;
- Approval of payment to statutory auditors for any other services rendered by them;
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;

- d) Significant adjustments made in the financial statements arising out of audit finding;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions;
 - g) Review of draft Auditors Report, in particular qualifications / remarks / observations made by the Auditors on the financial statements;
 - h) Management Discussion and Analysis of financial conditions and results of operations;
5. Review of Statement of significant related party transactions submitted by the management;
 6. Review of management letters/letters of internal control weaknesses issued by the statutory auditors;
 7. Review of internal audit reports relating to internal control weaknesses;
 8. Review of appointment, removal and terms of remuneration of the Internal Auditor;
 9. Review of the financial statements of subsidiary Companies;
 10. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
 11. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
 12. Review and monitor the auditor's independence, performance, and effectiveness of audit process;
 13. Approval or any subsequent modification of transactions of the Company with related parties;
 14. Scrutiny of inter-corporate loans and investments;
 15. Valuation of undertakings or assets of the Company, wherever necessary;
 16. Evaluation of internal financial controls and risk management systems;
 17. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 18. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 19. Discussion with internal auditors of any significant findings and follow up there on;
 20. Reviewing the risk management policies, practices and the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 21. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concerns;
 22. To look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors;
 23. To review the functioning of the Whistle Blower Mechanism;
 24. Approval of appointment / reappointment, remuneration of Chief Financial Officer (or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
 25. Carrying out any other function as may be mentioned in the terms of reference of the Audit Committee. The Audit Committee discharges its functions and obligations on regular basis and on the occurrence of the events;
 26. reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
 27. Consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.
- b. Nomination and Remuneration Committee**
The Nomination and Remuneration Committee of the Company has been constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and in terms of



Regulation 19 of the Listing Regulations which comprises the requisite number of Independent Directors.

During the year under review, the committee met once on 6th February, 2023. There were no changes in the constitution of the Nomination and Remuneration Committee. There were no changes in the Nomination and Remuneration Committee during the year. The composition of the Nomination and Remuneration Committee and the details of meetings attended by each of the members are given below:

| Name | Designation | Category | No. of Meetings Attended |
|-----------------------------------|-------------|----------------------------|--------------------------|
| Mr. Amarender Reddy Minupuri* | Chairman | Independent, Non-Executive | 1 |
| Mr. Naveena Chandra Thammishetty® | Member | Independent, Non-Executive | 1 |
| Mrs. Vimala Behram Madon® | Member | Independent, Non-Executive | 1 |
| Mr. Mohan Kumar Ramakrishna# | Chairman | Independent, Non-Executive | - |
| Dr. Uma Rajiv Pradhan# | Member | Independent, Non-Executive | - |
| Mr. Adabala Seshagiri Rao# | Member | Independent, Non-Executive | - |

*ceased to be a Chairman of the Committee with effect from 20th May, 2023.

®ceased to be member of the Committee with effect from 20th May, 2023.

#The Board has re-constituted the Committee in the Board Meeting held on 20th May, 2023.

The terms of reference of the Nomination and Remuneration Committee are as under:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - use the services of an external agencies, if required;
 - consider candidates from a wide range of backgrounds, having due regard to diversity; and

c. consider the time commitments of the candidates.

- Formulation of criteria for evaluation of Independent Directors and the Board. Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board for the reappointment and removal;
- To recommend/review remuneration of Key Managerial Personnel based on their performance and defined assessment criteria;
- To decide on the elements of remuneration package of all the Key Managerial Personnel i.e. salary, benefits, bonus, stock options, pensions, etc.;
- Recommendation of fee / compensation if any, to be paid to Non-Executive Directors, including Independent Directors of the Board;
- Payment / revision of remuneration payable to Managerial Personnel;
- While approving the remuneration, the committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee;
- The Committee shall be in a position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the Company and shareholders;
- Any other functions / powers / duties as may be entrusted by the Board from time to time.

The Company has adopted a Policy relating to the remuneration for Directors, Key Managerial Personnel and other employees of the Company which is disclosed on the website of the Company at the link: <http://www.balajiamines.com/pdf/1607153768BAL%20NRC%20Policy%20revised%202020.pdf>

The committee under the guidance of the Board has formulated the criteria and framework for the performance evaluation of every Director of the Board including independent Directors and identified the ongoing training and education programs to ensure that the independent Directors are provided with adequate information regarding the business, the industry and their legal responsibilities and duties.

Performance Evaluation Criteria for Independent Directors

Independent Directors are evaluated based on below mentioned criteria:

- their general understanding of the Company's business dynamics;
- their contribution in the Board Meetings and guidance to the Board;
- professional ethics, integrity and values;
- willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively;

The Nomination and Remuneration Committee also has laid down criteria for performance evaluation of all the Directors on the Board and recommended the same for evaluating the performance of each and every Director.

c. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee has been formed in compliance of Regulations under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Section 178(5) of the Companies Act, 2013. The Committee comprises one Executive Director and Two Non-Executive Independent Directors of the Company.

During the year under review, the Committee met four times on 11th May, 2022, 11th August, 2022, 27th October, 2022 and 6th February, 2023. There were no changes in the Stakeholders' Relationship Committee during the year. The composition of the Stakeholders' Relationship Committee and the details of Meetings attended by each of the Members are given below:

| Name | Designation | Category | No. of Meetings Attended |
|-------------------------------|-------------|----------------------------|--------------------------|
| Mr. Amarendra Reddy Minupuri* | Chairman | Independent, Non-Executive | 4 |
| Mr. Ande Prathap Reddy® | Member | Executive Director | 4 |
| Mr. Hemanth Reddy Gaddam® | Member | Executive Director | 4 |
| Dr. Suhasini Yatin Shah# | Chairperson | Independent, Non-Executive | - |
| Dr. Uma Rajiv Pradhan# | Member | Independent, Non-Executive | - |
| Mr. Dundurapu Ram Reddy# | Member | Executive Director | - |

*ceased to be a Chairman of the Committee with effect from 20th May, 2023.

®ceased to be member of the Committee with effect from 20th May, 2023.

#The Board has re-constituted the Committee in the Board Meeting held on 20th May, 2023.

The Committee reviews the security transfers/transmissions, process of dematerialization and the investors' grievances and the systems dealing with these issues.

Details of status of the references / complaints received and replied / resolved during the year are given in the following statements

| Description | No. of Complaints Received | No. of Complaints Resolved | Pending Complaints |
|---|----------------------------|----------------------------|--------------------|
| Non Receipt of Share Certificates after transfer etc. | NIL | NIL | NIL |
| Non Receipt of Dividend Warrant | NIL | NIL | NIL |
| Query regarding demat credit | NIL | NIL | NIL |
| Non receipt of Bonus | NIL | NIL | NIL |
| Miscellaneous correspondence | 5 | 5 | NIL |
| Total | 5 | 5 | NIL |

The terms of reference of the Stakeholders' Relationship Committee are as under:

- Resolving the grievance of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

d. Risk Management Committee

Board has constituted Risk Management Committee in compliance with Regulation 17(9)(b) and 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and provisions of the Companies Act, 2013 ("the Act"), for risk assessment and risk minimization. The Risk Management Committee comprises one Executive Director and Three Non-Executive Independent Directors of the Company.



During the year under review, the Committee met twice on 11th August, 2022 and 6th February, 2023. There were no changes in the Risk Management Committee during the year. The composition of the Risk Management Committee and the details of meetings attended by each of the members are given below:

| Name | Designation | Category | No. of Meetings Attended |
|-----------------------------------|-------------|----------------------------|--------------------------|
| Mr. Satyanarayana Murthy Chavali* | Chairman | Independent, Non-Executive | 2 |
| Mr. Rajeshwar Reddy Nomula® | Member | Executive Director | 2 |
| Mr. Hemanth Reddy Gaddam® | Member | Executive Director | 2 |
| Mr. Amarender Reddy Minupuri® | Member | Independent, Non-Executive | 2 |
| Mr. Mohan Kumar Ramakrishna# | Chairman | Independent, Non-Executive | - |
| Mr. Adabala Seshagiri Rao# | Member | Independent, Non-Executive | - |
| Dr. Uma Rajiv Pradhan# | Member | Independent, Non-Executive | - |
| Mr. Ande Srinivas Reddy# | Member | Executive Director | - |

*ceased to be a Chairman of the Committee with effect from 20th May, 2023.

®ceased to be member of the Committee with effect from 20th May, 2023.

#The Board has re-constituted the Committee in the Board Meeting held on 20th May, 2023.

The Risk Management Committee shall provide oversight and will report to the Board of Directors who have the sole responsibility for overseeing all risks. The Company recognises that enterprise risk management is an integral part of good management practice. The purpose of this policy is a system and mechanism to identify the risks, manage the risks and to set clear guidelines on the approach of the Company in handling the risks associated at each level of the organization. All employees are responsible for managing risks in so far as is reasonably predictable within their area of activity.

Role of Risk Management Committee:

- To formulate a detailed risk management policy which shall include:
 - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

- Measures for risk mitigation including systems and processes for internal control of identified risks.
 - Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
 - To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management/mitigating systems;
 - To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
 - To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.

e. Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee has been constituted by the Board of Directors to formulate and recommend to the Board the CSR Policy indicating the activities to be undertaken by the Company in compliance with the provisions of the Act and Rules made there under, allocate the amount of expenditure to be incurred on CSR activities as enumerated in Schedule VII to the Act and monitor the CSR Policy of the Company periodically. The CSR Policy of the Company is displayed on the website of the Company at the link: <http://www.balajiamines.com/pdf/1512734314Corporate%20social%20responsibility%20Policy.pdf>

During the year under review, The Committee met four times on 9th May, 2022, 10th August, 2022, 22nd October, 2022 and 6th February, 2023. There were no changes in the CSR Committee during the year. The composition of the CSR Committee and the details of meetings attended by each of the members are given below:

| Name | Designation | Category | No. of Meetings Attended |
|------------------------------|-------------|----------------------------|--------------------------|
| Mr. Kashinath Revappa Dhole* | Chairman | Independent, Non-Executive | 4 |
| Mr. Rajeshwar Reddy Nomula | Member | Executive Director | 4 |
| Mr. Dundurapu Ram Reddy | Member | Executive Director | 4 |
| Dr. Uma Rajiv Pradhan# | Chairperson | Independent, Non-Executive | - |

* ceased to be a Chairman of the Committee with effect from 20th May, 2023.

appointed as Chairperson of the Committee in the Board Meeting held on 20th May, 2023.

The Committee shall take up CSR activities as per the policy. The Committee shall oversee and monitor the spending of the CSR amount and implementation of the CSR activities undertaken.

The committee may report to the board, the status of each activity, utilization of the earmarked funds, next course of action and also prepare a display / photographs of the works undertaken duly reporting the press clippings to spread the awareness in the regional media to get maximum beneficiaries to be impacted.

f. Research and Development Committee

The Board has constituted a Research and Development Committee, to carry out the Research and Development initiations and to monitor the implementation of new R&D plans for identifying the new products, improving the processes etc. to optimize the utilization of all the resources.

The composition of the Research and Development Committee is given below:

| Name | Designation | Category |
|----------------------------|-------------|--------------------|
| Mr. Ande Prathap Reddy | Chairman | Executive Director |
| Mr. Rajeshwar Reddy Nomula | Member | Executive Director |
| Mr. Ande Srinivas Reddy | Member | Executive Director |

4. REMUNERATION OF DIRECTORS

a) All pecuniary relationship or transactions of the non-executive directors

The Company has no pecuniary relationship or transaction with its Non-Executive Directors and Non-Executive Directors including Independent Directors are entitled to payment of sitting fee for the Board meetings attended by them.

b) Criteria of making payments to non-executive directors

The criteria of making payments to the Independent Directors are disclosed in the Policy and the same is available on <http://www.balajiamines.com/pdf/1661779041Criteria%20for%20Payment%20to%20Non%20Executive%20Directors.pdf>

c) Disclosures with respect to remuneration: in addition to disclosures required under the Companies Act, 2013

The remuneration paid to Executive Directors is recommended by the Nomination and Remuneration Committee and fixed by the Board of Directors and approved by the shareholders in general meetings. The remuneration paid to Executive Directors in pursuant to Sections 196, 197, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013.

i. All elements of remuneration package of individual directors summarized under major groups, such as salary, Commission, bonuses, etc for the FY 2022-23:

Remuneration paid to Executive Directors for the year 2022-23

(Amount in ₹)

| Particulars | Mr. Ande Prathap Reddy | Mr. Dundurapu Ram Reddy | Mr. Rajeshwar Reddy Nomula | Mr. Hemanth Reddy Gaddam | Mr. Ande Srinivas Reddy | Total |
|----------------------------------|------------------------|-------------------------|----------------------------|--------------------------|-------------------------|--------------|
| Salary, Allowances & Perquisites | 55,89,600 | 47,67,600 | 47,67,600 | 47,67,600 | 42,74,400 | 2,41,66,800 |
| Benefits | - | - | - | - | - | - |
| Commission | 9,30,08,760 | 6,20,05,840 | 6,20,05,840 | 3,10,02,920 | 6,20,05,840 | 31,00,29,200 |
| Sitting Fees | - | - | - | - | - | - |
| Loans from the Company | - | - | - | - | - | - |

Remuneration paid to Non-Executive Directors for the year 2022-23

(Amount in ₹)

| Particulars | Mr. Naveena Chandra Thammishetty | Mr. Amarender Reddy Minupuri | Mr. Satyanarayana Murthy Chavali | Mr. Kashinath Revappa Dhole | Mrs. Vimala Behram Madon | Total |
|--------------|----------------------------------|------------------------------|----------------------------------|-----------------------------|--------------------------|----------|
| Sitting Fees | 1,12,000 | 1,24,000 | 1,14,000 | 1,10,000 | 1,04,000 | 5,64,000 |

- ii. Details of fixed component and performance linked incentives, along with the performance criteria: Not Applicable
- iii. Service contracts, notice period, severance fees: Company does not have any service contract with the Directors of the Company.
- iv. Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable: Company has not granted any Stock options during the year.



5. GENERAL BODY MEETING

a. Venue and time of the preceding of last three Annual General Meetings held:

| Year | AGM | VENUE | Day and Date | Time |
|---------|----------------------|---|--|------------|
| 2021-22 | 34 th AGM | Video Conference ("VC")/Other Audio Visual Means ("OAVM") | Wednesday, 29 th June, 2022 | 12.00 Noon |
| 2020-21 | 33 rd AGM | Video Conference ("VC")/Other Audio Visual Means ("OAVM") | Monday, 9 th August, 2021 | 11.30 A.M. |
| 2019-20 | 32 nd AGM | Video Conference ("VC")/Other Audio Visual Means ("OAVM") | Saturday, 8 th August, 2020 | 11:30 A.M. |

b. List of Special Resolutions passed during the last three AGMs

i. No Special Resolutions were passed in 2021-22 AGM

ii. Special Resolutions were passed in 2020-21 AGM

- Re-appointment of Mr. A. Prathap Reddy as Executive Chairman
- Re-appointment of Mr. D. Ram Reddy as Managing Director
- Re-appointment of Mr. N. Rajeshwar Reddy as Joint Managing Director
- Re-appointment of Mr. G. Hemanth Reddy as Wholtime Director & CFO
- Re-appointment of Mr. A. Srinivas Reddy, as a Wholtime Director

iii. No Special Resolutions were passed in 2019-20 AGM

c. Special Resolutions passed through postal ballot and details of voting pattern

During the previous year, no resolutions were passed by Postal Ballot.

d. Person who conducted the postal ballot exercise – Not Applicable

e. No Special Resolution is proposed to be passed through the postal ballot.

f. Procedure for postal ballot – Not Applicable

6. MEANS OF COMMUNICATION

a) Quarterly Results:-

The quarterly, half-yearly and annual results of the Company were normally published by the Company in the newspapers within 48 hours from the conclusion of the Board meeting.

Annual reports with Audited Financial Statements are sent to the shareholders through permitted mode and are displayed on the Company's website at www.balajiamines.com/investor-relations

b) Newspapers wherein results normally published:-

The Company publishes its quarterly, half-yearly and annual results in Business Standard (in English) and any one of Lokmat Times, Divya Marathi, Dainik Pudarhi, Sakal, Tarun Bharat, Sanchar (in regional language) dailies.

c) Any website, where displayed:-

The results are displayed on the Company's website at www.balajiamines.com/investor-relations.

d) Whether it is also displays official news releases:-

The newsletters and press releases from time to time were also displayed on the Company's website at www.balajiamines.com/investor-relations.

e) Presentations made to institutional investors or to the analysts:-

Any presentation made to the institutional investors or/and analysts are also posted on the Company's website and were intimated to the Stock Exchanges.

7. GENERAL INFORMATION TO SHAREHOLDERS

| | |
|--|--|
| a. Annual General Meeting Date, Time and Venue | Monday, 10 th July, 2023 at 4.00 PM through Video Conference ("VC")/ Other Audio Visual Means ("OAVM") |
| b. Date of Book Closure | The share transfer books and the Register of Members will be closed on Tuesday, 4 th July, 2023 to Monday, 10 th July, 2023 (both days inclusive) |
| c. Financial year | 1 st April to 31 st March |
| d. Dividend Payment Date | The proposed dividend, if approved at the ensuing Annual General Meeting (AGM) on Monday, 10 th July, 2023 will be distributed within 30 days of Annual General Meeting. |
| e. Name and address of stock exchanges | BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. National Stock Exchange of India Limited, Exchange Plaza, 5 th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051. |
| f. Listing fees | The Company has paid the annual listing fees for the year 2023-24 to both the above stock exchanges. |
| g. Security Code | BSE : 530999 NSE: BALAMINES |

| | | |
|----|--|--|
| h. | ISIN Code | INE050E01027 |
| i. | Registrar and Share Transfer Agents | Venture Capital and Corporate Investments Pvt. Ltd "Aurum", Door No.4-50/P-II/57/4F & 5F, Plot No.57 4 th & 5 th Floors, Jayabheri Enclave Phase – II, Gachibowli, Hyderabad – 500 032. Email: investor.relations@vccipl.com |
| j. | Share Transfer System | As per SEBI Circulars, the securities of listed companies can be transferred only in dematerialised form and hence members are advised to dematerialise the shares held for any transfer of shares. |
| k. | Outstanding GDRs/ADRs/ Warrants or any Convertible Instruments | As on 31 st March, 2023, the Company did not have any outstanding GDRs/ADRs/ Warrants or any Convertible Instruments. |
| l. | List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad | Not applicable. However, we have obtained a credit rating report from 'India Ratings and Research Private Limited' to share with Company's bankers, who have extended working capital and term loan funding. |
| m. | Plant Locations | Unit 1 : Tamalwadi Village, Taluka- Tuljapur, Osmanabad District – 413 623, Maharashtra. Unit 2 : Plot No. 4 & 5, Beside Sub - Station 2 IDA Bollaram, Sangareddy District - 502 325, Telangana. Unit 3 : Plot No. E - 7 & 8, Chincholi MIDC, Taluka Mohol, Solapur - 413 255, Maharashtra. Unit 4 : Plot No. F - 104, Chincholi MIDC, Taluka Mohol, Solapur - 413 255, Maharashtra. Unit 5 : Nandi Kandi, Sadasivpet, Sangareddy District, Telangana. Hotel Division: Balaji Sarovar Premiere, Survey No. 9/1A/1, Aasara Chowk, Hotgi Road, Solapur-413 224. |
| n. | Address for the correspondence | Mr. Lakhan Dargad, Company Secretary and Compliance Officer Balaji Amines Limited. Balaji Towers No. 9/1A/1, Hotgi Road, Aasara Chowk, Solapur – 413 224. Email: cs@balajiamines.com |

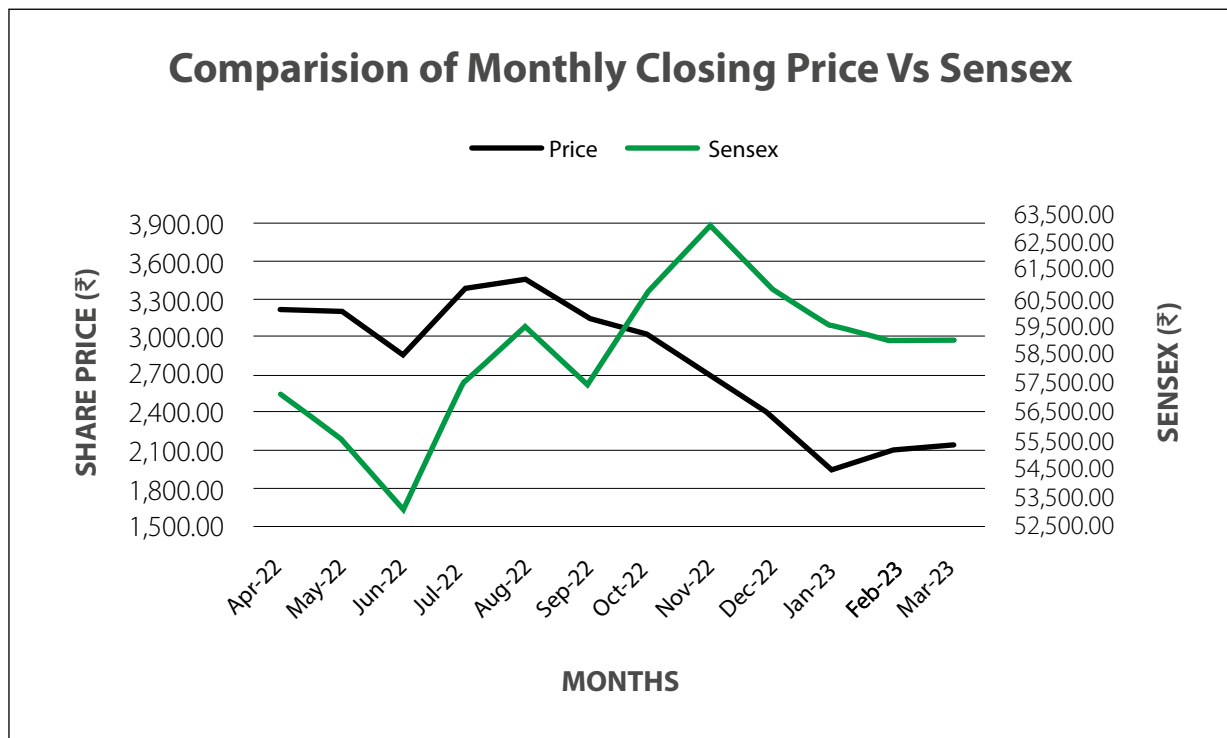
o. Month-Wise Market Price data during the year ended 31st March, 2023

(Amount in Rupees)

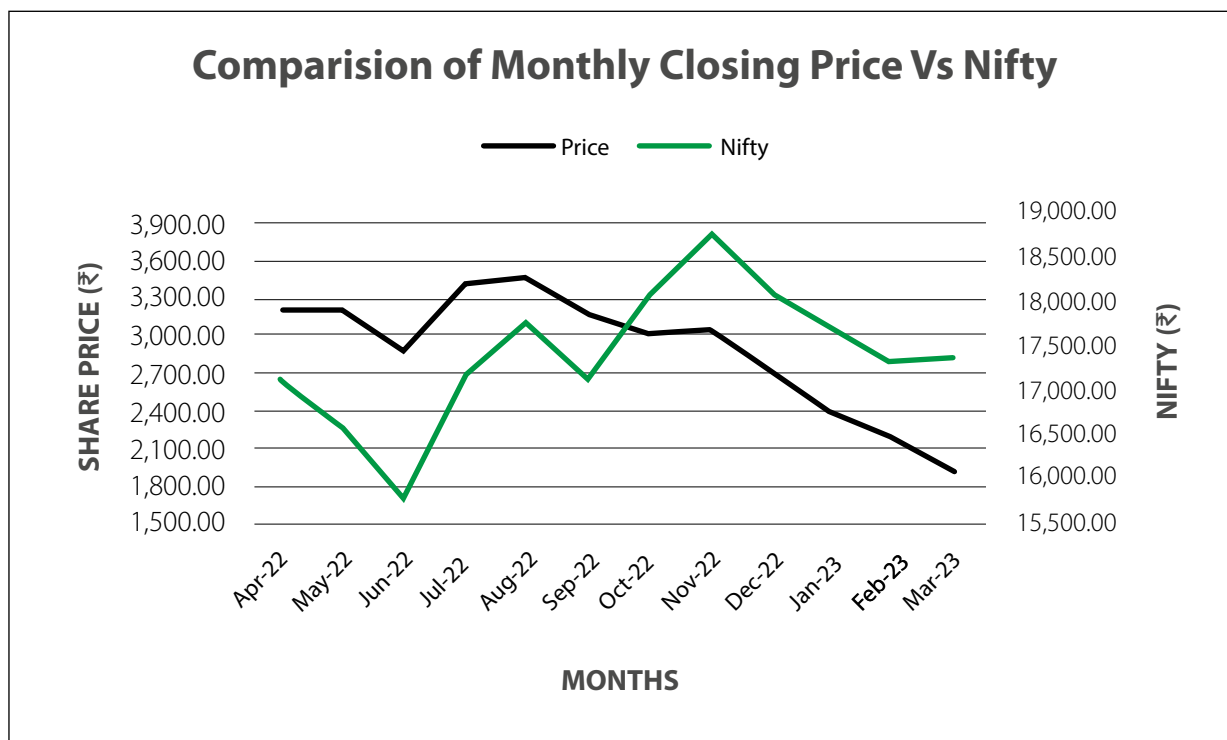
| MONTH | BSE | | NSE | |
|----------|------------|-----------|------------|-----------|
| | High Price | Low Price | High Price | Low Price |
| Apr- 22 | 3,505.00 | 2,902.15 | 3,504.00 | 2,905.00 |
| May- 22 | 3,260.00 | 2,700.00 | 3,276.95 | 2,700.00 |
| Jun- 22 | 3,454.00 | 2,718.00 | 3,457.00 | 2,716.00 |
| July- 22 | 3,449.05 | 2,838.00 | 3,449.55 | 2,831.70 |
| Aug- 22 | 3,830.00 | 3,375.00 | 3,824.80 | 3,366.60 |
| Sep- 22 | 3,841.85 | 3,116.25 | 3,844.00 | 3,113.90 |
| Oct- 22 | 3,267.25 | 2,950.00 | 3,265.00 | 2,951.00 |
| Nov- 22 | 3,116.20 | 2,873.20 | 3,114.90 | 2,871.50 |
| Dec- 22 | 3,100.00 | 2,592.10 | 3,125.00 | 2,593.75 |
| Jan- 23 | 2,727.65 | 2,250.10 | 2,729.85 | 2,250.00 |
| Feb- 23 | 2,433.95 | 2,116.85 | 2,435.00 | 2,125.00 |
| Mar – 23 | 2,288.00 | 1,925.05 | 2,288.00 | 1,932.10 |



p. BAL's share performance versus BSE Sensex



q. BAL's share performance versus Nifty



r. Distribution of Shareholding as at 31st March, 2023

Distribution details on Face Value as at 31st March, 2023

| Nominal Value | Number | % of total | In ₹ | % of the total |
|------------------|-----------------|---------------|--------------------|----------------|
| Upto 5000 | 1,36,231 | 99.69 | 96,52,616 | 14.90 |
| 5001 – 10000 | 214 | 0.16 | 16,35,032 | 2.52 |
| 10001-20000 | 92 | 0.07 | 14,33,368 | 2.21 |
| 20001-30000 | 32 | 0.02 | 7,98,050 | 1.23 |
| 30001-40000 | 5 | 0.00 | 1,82,308 | 0.28 |
| 40001-50000 | 14 | 0.01 | 6,18,624 | 0.95 |
| 50001-100000 | 23 | 0.02 | 16,00,330 | 2.47 |
| 100001 and above | 41 | 0.03 | 4,88,81,672 | 75.43 |
| Total | 1,36,652 | 100.00 | 6,48,02,000 | 100.00 |

8. DEMATERIALIZATION OF SHARES AND LIQUIDITY

As on 31st March, 2023, 3,22,29,985 Equity Shares of 2/- each representing 99.47% of the total no. of shares are in dematerialized form. There were no pending transfers as on 31st March, 2023.

9. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

The Company imports its major raw material and hence there is a commodity price risk and also foreign exchange risk. The company imports in bulk quantities against spot prices or annual contracts with the suppliers where the company gets the price advantage on the bulk / contract purchase. Since the company is also having exports the exchange risk is partly covered by natural hedge (by way of exports). The Company also carries hedging activities basing on the market conditions on case to case basis.

10. OTHER DISCLOSURES:-

- The particulars of transactions between the Company and its related parties are set out at Notes to financial statements. However these transactions are not likely to have any conflict with the Company's interest.
- There are no non-compliances in the last three years by the Company on any matter related to Capital Market and there were no penalties imposed nor strictures passed on the Company by any Stock Exchange, SEBI or any other Statutory Authority during the year.
- The Whistle Blower (Vigil) mechanism provides a channel to the employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy and also provides for adequate safeguards against victimization of employees by giving them direct access to the Chairman of the Audit Committee in exceptional cases. No person has been denied access to the Chairman of the Audit Committee.

The Policy covers malpractices and events which have taken place / suspected to have taken place, issue or abuse of authority, fraud or suspected fraud, violation of Company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees. The Whistle Blower Policy of the Company is also posted on the website of the Company http://www.balajiamines.com/pdf/1644382399whistle_blower_policy_balajiamines_final.pdf

- The Company has complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The status of compliance with the discretionary requirements under Regulation 27(1) of SEBI Listing Regulations are as under:

Separate posts of chairperson and chief executive officer: The office of Chairman and that of Managing Director of the Company are held by different persons.
- The Company has formulated a policy pursuant to provisions of Chapter IV of SEBI Listing Regulations to determine material subsidiaries. The policy is posted on the website of the Company and the web link for the same is: <http://www.balajiamines.com/pdf/1549342920Policy%20for%20determining%20material%20subsidiaries.pdf>
- The Policy on Related Party Transactions is hosted in the website of the Company at the link <http://www.balajiamines.com/pdf/1549342970Policy-on-Related-Party-Transactions.pdf>
- Commodity price risk and Commodity hedging activities
The Company imports its major raw material and hence there is a commodity price risk. The company imports in bulk quantities against spot prices or annual contracts with the suppliers where the company gets the price advantage on the bulk / contract purchase. The Company also carries hedging activities based on the market conditions on a case to case basis.



- h. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)- Not Applicable
- i. A certificate from a company secretary in practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority has been enclosed as separately to this report.
- j. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year- There are no such instances during the year and the Board considered and accepted the recommendations of all the Committees.
- k. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part- ₹62,98,000/-.
- l. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- The Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The policy aims to provide protection to Employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where Employees feel secure. The Company has formed an internal compliance committee to monitor and address any complaints under these provisions.
- The Company has not received any complaints on sexual harassment during the year.
- m. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount': Not Applicable
- n. Details of material subsidiaries of the Company; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.

| Name of Material Subsidiary | Balaji Specialty Chemicals Limited |
|---|--|
| Date and Place of Incorporation | 20 th August, 2010 and Solapur, Maharashtra |
| Name and Date of appointment of the Statutory Auditor | M/s. M. Anandam & Co. Chartered Accountants and 30 th May, 2022 |

11. THE COMPANY HAS COMPLIED WITH ALL THE PROVISIONS OF CORPORATE GOVERNANCE.

12. THE EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II HAVE BEEN ADOPTED: NIL

13. THE COMPANY HAS COMPLIED WITH ALL THE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46 OF LISTING REGULATIONS.

14. CODE OF CONDUCT FOR THE BOARD & SENIOR MANAGEMENT PERSONNEL

The Company has laid down a Code of Conduct which has been effectively adopted by the Board Members and Senior Management Personnel of the Company.

15. COMPLIANCE CERTIFICATE FROM PRACTISING COMPANY SECRETARIES

Certificate from Practising Company Secretaries, M/s. P S Rao & Associates, confirming compliance with the conditions of corporate Governance as stipulated Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed herewith.

16. PROHIBITION OF INSIDER TRADING

As required under the SEBI (Prohibition of Insider Trading) Regulations, 2015, your Company has framed the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices and Policy for procedure of inquiry in case of leak of Unpublished Price Sensitive Information ("UPSI"). For Details Please refer to the Company's website at <http://www.balajiamines.com/investor-relations>

17. CEO/CFO CERTIFICATE

Mr. Dundurapu Ram Reddy, Managing Director and Mr. Hemanth Reddy Gaddam, Whole-time Director & CFO has issued certificate under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which is annexed and forms part of this report.

18. SECRETARIAL STANDARDS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India.

19. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

In terms of Section 123, 124 and 125 of the Companies Act, 2013, the unclaimed dividends for the year 2014-15 and shares wherein the dividends were unclaimed for a period of seven consecutive years have been transferred to the IEPF Fund/ Suspense account respectively.

The details of shares transferred are available on the website of the Company. Further, as per the provisions of Section 125, the share(s) wherein the dividend is unclaimed for a period of consecutive seven (7) years will be transferred to the suspense account as prescribed by the IEPF Rules, therefore the shareholders whose dividends are unclaimed for seven

consecutive years are requested to claim their unclaimed dividend at the earliest. Shareholders are requested to write to the Company or RTA for claiming their unclaimed dividends. (List of the shareholders along with the unclaimed dividend details are available on the website of the Company at www.balajiamines.com)

The details of the amount laying in Unclaimed Dividend Accounts and corresponding due dates for transfer to IEPF as on 31st March, 2023 are as under:

| Sr. No. | Particulars of Dividend | Date of Declaration of Dividend | Amount laying in Unclaimed Dividend Accounts (in ₹) | Due dates of transfer to IEPF |
|---------|-------------------------------|---------------------------------|---|-------------------------------|
| 1. | Final Dividend (FY 2015-16) | 30-07-2016 | 3,73,832.00 | 04-09-2023 |
| 2. | Final Dividend (FY 2016-17) | 31-07-2017 | 2,71,755.00 | 04-09-2024 |
| 3. | Final Dividend (FY 2017-18) | 30-08-2018 | 2,36,810.60 | 04-10-2025 |
| 4. | Final Dividend (FY 2018-19) | 26-07-2019 | 2,81,254.40 | 30-08-2026 |
| 5. | Interim Dividend (FY 2019-20) | 09-03-2020 | 2,38,945.20 | 14-04-2027 |
| 6. | Final Dividend (FY 2019-20) | 08-08-2020 | 59,337.60 | 13-09-2027 |
| 7. | Final Dividend (FY 2020-21) | 09-08-2021 | 3,24,740.00 | 14-09-2028 |
| 8. | Final Dividend (FY 2021-22) | 29-06-2022 | 4,70,960.00 | 05-08-2029 |

For and on behalf of the Company

Sd/-

Ande Prathap Reddy
Executive Chairman
DIN: 00003967

Date: 20th May, 2023

Place: Hyderabad



ANNEXURES TO REPORT ON CORPORATE GOVERNANCE

I. CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To
The Members of
Balaji Amines Limited
Solapur

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of BALAJI AMINES LIMITED having CIN: L7499L24132MH1988PLC049387 and having registered office at BALAJI TOWERS, No. 9/1A/1, Hotgi Road, Aasara Chowk, Solapur, Maharashtra 413224 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India or Ministry of Corporate Affairs or any other Statutory Authority.

| Sr. No. | Name of Director | DIN | Date of appointment in Company |
|---------|------------------------------|----------|--------------------------------|
| 1 | Ande Prahtap Reddy | 00003967 | 27.10.1988 |
| 2 | Ande Srinivas Reddy | 03169721 | 11.05.2013 |
| 3 | Rajeshwar Reddy Nomula | 00003854 | 27.10.1988 |
| 4 | Ram Reddy Dundurapu | 00003864 | 15.01.1989 |
| 5 | Hemanth Reddy Gaddam | 00003868 | 28.07.2005 |
| 6 | Satyanarayana Murthy Chavali | 00142138 | 30.01.2012 |
| 7 | Naveena Thammishetty Chandra | 00231636 | 24.06.1996 |
| 8 | Kashinath Revappa Dhole | 01076675 | 11.05.2013 |
| 9 | Amarender Reddy Minupuri | 05182741 | 31.01.2012 |
| 10 | Vimala Behram Madon | 06925101 | 28.07.2014 |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For P S Rao & Associates

Company Secretaries

Sd/-

Mohit Gurjar

Partner

M.No. A20557

CP No. 18644

UDIN: A020557E000343242

Place: Hyderabad

Date: 20th May, 2023

II. SECRETARIAL COMPLIANCE REPORT

To
Board of Directors
Balaji Amines Limited
Balaji Tower,
No. 9/1A/1, Hotgi Road,
Asara Chowk, Solapur,
Maharashtra, INDIA.

We P S. Rao & Associates Company Secretaries have examined:

- (a) all the documents and records made available to us and explanation provided by M/s Balaji Amines Limited, having its registered office at Balaji Tower, No. 9/1A/1, Hotgi Road, Asara Chowk, Solapur, Maharashtra, INDIA, hereinafter referred to as "the listed entity".
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31.03.2023 ("01.04.2022 to 31.03.2023") in respect of compliance with the provisions of:
 - a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
 - b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/guidelines issued thereunder, have been examined, include: -

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - **Not Applicable during the reporting period**
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - **Not Applicable during the reporting period**
- e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; - **Not Applicable during the reporting period**
- g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; - **Not Applicable during the reporting period**
- h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- i) The Depositories Act, 1996
- j) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client and circulars/guidelines issued thereunder.

and based on the above examination, I/We hereby report that, during the review period:

- a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder,
- b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.
- c) There were no instances of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder during the Reporting period:
- d) There were no observations made in previous reports issued to the Company.
- e) The reporting of clause 6(A) and 6(B) of the circular No. CIR/CFD/CMD1/114/2019 dated 18th October 2019 issued by the Securities and Exchange Board of India on "Resignation of statutory auditors from listed entities and their material subsidiaries" is not applicable during the Review Period



Pursuant to Circular Ref. No. NSE/CML/2023/21 & NSE/CML/ 2023/30 dated March 16, 2023 & April 10, 2023 issued by National Stock Exchange of India Limited and Notice No. 20230316-14 & 20230410-41 dated March 16, 2023 & April 10, 2023 issued by BSE Limited, following are the additional affirmations:

| Sr. No | Particulars | Compliance status (YES/NO/NA) | Observations/Remarks by PCS* |
|--------|--|-------------------------------|---|
| 1 | Secretarial Standard: The compliances of of the Company are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI) as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable. | Yes | NA |
| 2 | Adoption and timely updation of the Policies: • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the Company • All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/circulars/guidelines issued by SEBI | Yes | NA |
| 3 | Maintenance and disclosures on Website: • The Listed entity is maintaining a functional website • Timely dissemination of the documents/ information under a separate section on the website • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re- directs to the relevant document(s)/ section of the website | Yes | NA |
| 4 | Disqualification of Director(s): None of the Director(s) of the Company are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity | Yes | NA |
| 5 | To examine details related to Subsidiaries of listed entities: (a) Identification of material subsidiary companies (b) Requirements with respect to disclosure of material as well as other subsidiaries | Yes | NA |
| 6 | Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015 | Yes | NA |
| 7 | Performance Evaluation: The Company has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations | Yes | NA |
| 8 | Related Party Transactions: (a) The Company has obtained prior approval of Audit Committee for all Related party Transactions (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/rejected by the Audit committee | Yes | NA |
| 9 | Disclosure of events or information: The Company has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder. | Yes | NA |
| 10 | Prohibition of Insider Trading: The Company is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015 | Yes | NA |
| 11 | Actions taken by SEBI or Stock Exchange(s), if any: No Action(s) has been taken against the Company/its promoters/directors/subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder [Please refer point(a) and (b) below] | Yes | NA |
| 12 | Additional Non-compliances, if any: No additional non-compliance observed for all SEBI regulation/circular/guidance note etc. | NA | No non-compliance observed for any SEBI regulation/circular/ guidance note etc. |

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

| S. No. | Compliance Requirement (Regulations/ circulars/ guidelines including specific clause) | Regulation/ Circular no. | Deviations | Action Taken by | Type of Action | Details of violations | Fine Amount | Observations/Remarks of the Practicing Company Secretary | Management Response | Remarks |
|----------------|---|--------------------------|------------|-----------------|----------------|-----------------------|-------------|--|---------------------|---------|
| Not applicable | | | | | | | | | | |

- (b) The listed entity has taken the following actions to comply with the observations made in previous reports:

| S. No. | Compliance Requirement (Regulations/ circulars/ guidelines including specific clause) | Regulation/ Circular no. | Deviations | Action Taken by | Type of Action | Details of violations | Fine Amount | Observations/Remarks of the Practicing Company Secretary | Management Response | Remarks |
|----------------|---|--------------------------|------------|-----------------|----------------|-----------------------|-------------|--|---------------------|---------|
| Not applicable | | | | | | | | | | |

For P S Rao & Associates
Company Secretaries

Sd/-
P S Rao
Partner
M.No. F10322
PR: 710/2020
CP No. 3829

Place: Hyderabad
Date: 20th May, 2023

UDIN: F010322E000343171



III. SECRETARIAL AUDIT REPORT OF SUBSIDIARY COMPANY

FORM NO.MR-3

SECRETARIAL AUDIT REPORT

for the Financial Year ended March 31, 2023

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

To
The Members
Balaji Speciality Chemicals Limited
Solapur

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **(Not applicable to the Company);**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 **(Not applicable to the Company);**
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(Not applicable to the Company);**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(Not applicable to the Company);**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(Not applicable to the Company);**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not applicable to the Company);** and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company);**
 - (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

- (a) Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 under the Environment (Protection) Act, 1986
- (b) Petroleum Act 1934
- (c) Poisons Act 1919
- (d) The Indian Boilers Act, 1923
- (e) The Explosives Act 1983
- (f) Manufacture Storage and Import of Hazardous Chemical Rules, 1989
- (g) Public Liability Insurance Act, 1991

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

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

During the period under review, Company has proposed to raise the funds through the initial public offer with the combination of Fresh Issue and Offer for Sale and has filed Draft Red Herring prospectus on August 10, 2022 with Securities Exchange and Board of India consequently the Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to the letters dated September 16, 2022 and September 19, 2022, respectively and received final observations on 14th November 2022 from the SEBI (Securities and Exchange Board of India) for filing of (Updated) Red herring prospectus with the Board (SEBI).

For P S Rao & Associates
Company Secretaries

Sd/-

P S Rao

Partner

M.No. F10322

CP No. 3829

UDIN: F010322E000306486

Place: Hyderabad

Date: 15th May, 2023

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

**'ANNEXURE A'**

To
The Members
Balaji Speciality Chemicals Limited
Solapur

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

1. Maintenance of secretarial and other statutory record is the responsibility of the management of the company. Our responsibility is to express an opinion on these records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For P S Rao & Associates
Company Secretaries

Sd/-
P S Rao
Partner
M.No. F10322
CP No. 3829

UDIN: F010322E000306486

Place: Hyderabad
Date: 15th May, 2023

IV. CEO /CFO CERTIFICATION TO THE BOARD

**[Pursuant to Regulation 17 (8) under Chapter IV of Securities Exchange board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015]**

We, Dundurapu Ram Reddy, Managing Director and Hemanth Reddy Gaddam, Whole-time Director and Chief Financial Officer of the Company responsible for the finance function hereby certify that:

- a) We have reviewed the financial statements and the cash flow statement for the year 2022-23 and that to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulation.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year 2022-23, which are fraudulent, illegal or violative of the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit committee :
 - (i) significant changes in internal control over financial reporting during the year 2022-23;
 - (ii) significant changes in accounting policies during the year 2022-23 and that the same have been disclosed in the notes to the financial statements;
 - (iii) There were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial report.

Sd/-
Dundurapu Ram Reddy
Managing Director
DIN: 00003864

Sd/-
Hemanth Reddy Gaddam
Whole-time Director & CFO
DIN: 00003868

Date: 20th May, 2023
Place: Solapur/Hyderabad

V. DECLARATION ON CODE OF CONDUCT

This is to confirm that the Board has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The Code of Conduct has also been posted on the website of the company. It is further confirmed that all directors and senior management personnel of the company have affirmed compliance with the code of conduct of the company for the financial year ended on 31st March, 2023 as envisaged in the Chapter IV of the Securities Exchange board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sd/-
Dundurapu Ram Reddy
Managing Director
DIN: 00003864

Date: 20th May, 2023
Place: Solapur



VI. CERTIFICATE ON CORPORATE GOVERNANCE ISSUED BY PRACTICING COMPANY SECRETARIES

To the Members of Balaji Amines Limited,

We have examined the compliance of conditions of Corporate Governance by Balaji Amines Limited ('the Company') for the year ended 31st March, 2023 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15 (2) of the Listing Regulations.

The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

In our opinion, and to the best of the information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company..

For P S Rao & Associates

Company Secretaries

Sd/-

P S Rao

Partner

M.No. F10322

CP No. 3829

UDIN: F010322E000343182

Place: Hyderabad

Date: 20th May, 2023

Independent Auditor's Report

To the Members of **Balaji Amines Limited**

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the standalone financial statements of **Balaji Amines Limited** ("the Company"), which comprise the Standalone Balance sheet as at March 31, 2023, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit (including other comprehensive income), 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 Act.

Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics issued by the Institute of Chartered Accountants of India. 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 judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr. No. | Key Audit Matter | Auditor's Response |
|---------|--|---|
| 1. | Revenue Recognition Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognised when the Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition is when the control over goods is transferred to the customers, which is mainly upon delivery. The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before the control over goods is transferred. Refer Note 1.3A to the standalone financial statements – Significant Accounting Policies. | Principal Audit Procedures Our audit approach was a combination of tests of internal controls and substantive procedures including: <ul style="list-style-type: none"> Assessing the appropriateness of Company's revenue recognition in line with Ind AS 115 – Revenue from Contracts with Customers. Evaluating the design and implementation of Company's controls in respect of revenue recognition. • Testing the effectiveness of such controls over revenue cut off at the year end. Testing the supporting documentation for sales transactions recorded during the period closer to the year-end and subsequent to the year-end, including examination of credit notes issued after the year end to determine whether revenue was recognised in the correct period. |



OTHER INFORMATION

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report but does not include the standalone financial statements, the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the 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 STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors 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 the Board of Directors 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 STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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 MATTER

The comparative financial information of the Company for the year ended 31st March, 2022 is based on the previously issued standalone financial statements which were audited by the predecessor auditor who expressed unqualified opinion vide report dated 11th May, 2022.

Our opinion is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. 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 (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows 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 Indian Accounting Standards prescribed under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provision of section 197 of the Act.
- h) 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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements (Refer Note 37a of the standalone financial statements);
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv.(a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any



other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The final dividend paid by the Company during the year in respect of the same declared for the previous

year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 40c of the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members of the Company at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
- 2. As required by the Companies (Auditor's Report) Order, 2020, ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **M. Anandam & Co.,**
Chartered accountants
(Firm Registration No.0001255)

Sd/-
M V Ranganath
Partner

Membership No.028031
UDIN: 23028031BGVWJN8297

Place: Hyderabad
Date: May 20, 2023

Annexure - A

To the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls with reference to the standalone financial statements of **Balaji Amines Limited** ("the Company") as of March 31, 2023 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 ("ICAI"). 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 Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Act, 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 with reference to these standalone financial

statements were 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 with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to these standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, 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 standalone 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 with reference to these standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THESE STANDALONE FINANCIAL STATEMENTS

A Company's internal financial control with reference to these standalone financial statements 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 with reference to these standalone financial statements 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.



INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THESE STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to these standalone financial statements, 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 with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control with reference to these standalone financial statements 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 with reference to these standalone financial statements and such internal financial controls with reference to these standalone financial statements were operating effectively as at March 31, 2023, 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 **M. Anandam & Co.,**
Chartered accountants
(Firm Registration No.0001255)

Sd/-

M V Ranganath

Partner

Membership No.028031
UDIN: 23028031BGWJN8297

Place: Hyderabad
Date: May 20, 2023

Annexure - B

To the Independent Auditor's Report

With reference to Paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of the Company, we report that

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
- (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- B. The Company does not have intangible assets and hence reporting under clause 3(i)(b) of the Order is not applicable.
- (b) The Property, Plant and Equipment have been physically verified by the management in a periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its business. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

| Description of Property | Gross carrying value (₹ in lakhs) | Held in the name of | Whether promoter, director or their relative or employee | Period held | Reason for not being in the name of the Company |
|-------------------------|--------------------------------------|--|--|------------------|--|
| Land | 4.34 | Bhagyanagar Chemicals Limited, erstwhile subsidiary (since amalgamated with the company in FY 2017-18) | No | Since FY 2017-18 | Application for transfer of title pending with Sub Registrar Office. The land is not in dispute. |
| Land | 163.31 | Balaji Greentech Projects Limited, erstwhile subsidiary (since amalgamated with the company in FY 2017-18) | No | Since FY 2017-18 | Application for transfer of title pending with Sub Registrar Office. The land is not in dispute. |

- (d) The Company has not revalued any of its Property, Plant and Equipment during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the coverage, frequency and procedure of such verification is reasonable and adequate in relation to the size of the Company and the nature of its business. The discrepancies noticed on verification between the physical stocks and the book records were not exceeding 10% in the aggregate for each class of inventory
- (b) The Company is sanctioned working capital limits in excess of ₹5 Crore during the year from banks on the basis of security of current assets. Further, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) During the year, the Company has provided guarantee, but has not made investments, not provided loans or advances in the nature of loans and not provided security in/to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, we report as under:
- (a) During the year, the Company has provided guarantee amounting to ₹25,000 lakhs to its subsidiary company. There is no guarantee outstanding as at the balance sheet date.



- (b) In our opinion, the guarantees provided, during the year are, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments and receipts are regular.
- (d) In respect of loans granted by the Company, the entire amount has been repaid during the year. Hence, reporting under clause 3(iii)(d) is not applicable.
- (e) The loan granted in earlier years was repaid during the year. Hence, reporting under clause 3(iii)(e) is not applicable.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Hence, reporting under clause 3(iii)(f) of the Order is not applicable.
- (iv) The Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees provided.
- (v) According to the information and explanations given to us, the Company has not accepted deposits including amounts deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the cost records maintained by the Company as prescribed under subsection (1) of section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) In respect of statutory dues:
- (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident fund, Employees' state insurance, Income-tax, Goods and Services Tax, Customs duty, cess and any other statutory dues as applicable with the appropriate authorities and there were no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and records of the Company examined by us, the particulars of Income tax as at March 31, 2023 which have not been deposited on account of any dispute pending are as under:

| Name of the statute | Nature of the dues | Amount (₹ in lakhs) | Amount paid under protest (₹ In lakhs) | Period to which the amount relates | Forum where the dispute is pending |
|----------------------|--------------------|---------------------|--|------------------------------------|--------------------------------------|
| Income Tax Act, 1961 | Income Tax | 28.39 | 19.98 | AY 2013-14 | Commissioner of Income Tax (Appeals) |
| Income Tax Act, 1961 | Income Tax | 231.08 | 306.29 | AY 2014-15 | Commissioner of Income Tax (Appeals) |
| Income Tax Act, 1961 | Income Tax | 83.58 | 10.10 | AY 2016-17 | Commissioner of Income Tax (Appeals) |
| Income Tax Act, 1961 | Income Tax | 29.31 | 29.31 | AY 2017-18 | Commissioner of Income Tax (Appeals) |
| Income Tax Act, 1961 | Income Tax | 176.54 | 176.54 | AY 20-21 | Commissioner of Income Tax (Appeals) |

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (c) During the year, the Company has not obtained any term loans. Hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the standalone financial statements of the Company, funds raised on short-term basis have, prima facie, not been used for long-term purposes by the Company.
- (e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary. The Company does not have associates or joint ventures.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary. The Company does not have associates or joint ventures.
- (x) (a) The Company has not raised monies by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3 (x)(a) of the Order is not applicable.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under clause (x)(b) of the Order is not applicable.
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not engaged in any non-banking financial housing finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a core investment company as defined in the Regulations made by the Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.



- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditor during the year. Hence, reporting under clause 3(xviii) of the Order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) There are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing projects requiring a transfer to a special account in compliance with provisions of sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For **M. Anandam & Co.,**
Chartered accountants
(Firm Registration No.0001255)

Sd/-
M V Ranganath
Partner

Membership No.028031
UDIN: 23028031BGVWJN8297

Place: Hyderabad
Date: May 20, 2023

Standalone Balance Sheet

as at March 31, 2023

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

| Particulars | Note | As at March 31, 2023 | As at March 31, 2022 |
|---|------|----------------------|----------------------|
| I. ASSETS | | | |
| Non-current assets | | | |
| (a) Property, plant and equipment | 2.1 | 59,920.12 | 49,000.91 |
| (b) Capital work-in-progress | 2.2 | 7,373.99 | 14,093.58 |
| (c) Investment property | 3 | 522.04 | 501.82 |
| (d) Financial assets | | | |
| (i) Investments | 4 | 6,600.10 | 6,600.10 |
| (ii) Loans | 5 | - | 6,600.00 |
| (iii) Other financial assets | 6 | 444.20 | 418.00 |
| (e) Other non-current assets | 7 | 2,865.46 | 986.78 |
| | | 77,725.91 | 78,201.19 |
| Current Assets | | | |
| (a) Inventories | 8 | 26,723.44 | 20,263.12 |
| (b) Financial assets | | | |
| (i) Investments | 9 | 6,231.69 | - |
| (ii) Trade receivables | 10 | 26,028.89 | 43,613.20 |
| (iii) Cash and cash equivalents | 11 | 9,066.85 | 2,971.42 |
| (iv) Bank balances other than (iii) above | 12 | 7,045.06 | 1,841.05 |
| (v) Other financial assets | 13 | 45.69 | - |
| (c) Current tax assets (net) | 14 | 154.37 | - |
| (d) Other current assets | 15 | 2,109.53 | 1,557.47 |
| | | 77,405.52 | 70,246.26 |
| TOTAL ASSETS | | 1,55,131.43 | 1,48,447.46 |
| II. EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity share capital | 16 | 648.02 | 648.02 |
| (b) Other equity | 17 | 1,39,384.56 | 1,18,590.77 |
| | | 1,40,032.58 | 1,19,238.79 |
| Liabilities | | | |
| Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| Other financial liabilities | 18 | 100.14 | 92.95 |
| (b) Provisions | 19 | 180.76 | 65.49 |
| (c) Deferred tax liabilities (net) | 20 | 5,890.62 | 5,262.49 |
| (d) Other non current liabilities | 21 | 97.04 | 97.87 |
| | | 6,268.56 | 5,518.80 |
| Current Liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Trade payables | 22 | | |
| a) Total outstanding dues of micro enterprises and small enterprises | | 1,023.81 | 1,200.75 |
| b) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 2,578.71 | 15,526.50 |
| (ii) Other financial liabilities | 23 | 4,630.18 | 6,168.11 |
| (b) Other current liabilities | 24 | 572.60 | 475.72 |
| (c) Provisions | 25 | 24.99 | - |
| (d) Current tax liabilities (net) | 26 | - | 318.80 |
| | | 8,830.29 | 23,689.88 |
| TOTAL EQUITY AND LIABILITIES | | 1,55,131.43 | 1,48,447.46 |
| Significant accounting policies and other information | 1 | | |

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

As per our report of even date

For **M. Anandam & Co.,**

Chartered Accountants

Firm Regn No: 0001255

Sd/-

M V Ranganath

Partner

Membership No.028031

Place : Hyderabad

Date : May 20, 2023

For and on behalf of Board of Directors

Sd/-

A Prathap Reddy

Executive Chairman

DIN 00003967

Place : Hyderabad

Date : May 20, 2023

Sd/-

A Srinivas Reddy

Whole Time Director & CFO

DIN 03169721

Place : Hyderabad

Date : May 20, 2023

Sd/-

Lakhan Dargad

Company Secretary

M No : A52571

Place : Solapur

Date : May 20, 2023



Standalone Statement of Profit & Loss

for the year ended March 31, 2023

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

| Particulars | Note | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--|------|------------------------------|------------------------------|
| I. Income | | | |
| Revenue from operations | 27 | 1,72,628.31 | 1,92,066.56 |
| Other income | 28 | 975.65 | 1,839.49 |
| Total income | | 1,73,603.95 | 1,93,906.05 |
| II. Expenses | | | |
| Cost of materials consumed | 29 | 1,01,522.98 | 1,12,577.62 |
| Changes in inventories of work-in-progress and finished goods | 30 | (1,012.24) | (5,271.12) |
| Employee benefits expense | 31 | 8,019.40 | 9,347.58 |
| Finance costs | 32 | 273.35 | 704.08 |
| Depreciation | 33 | 3,126.24 | 2,916.85 |
| Other expenses | 34 | 31,136.93 | 31,317.00 |
| Total expenses | | 1,43,066.64 | 1,51,592.02 |
| III. Profit before tax (I-II) | | 30,537.31 | 42,314.03 |
| IV. Tax expense: | | | |
| (1) Current tax | 35 | 7,210.14 | 11,127.00 |
| (2) Earlier years' tax | | (55.18) | (2.81) |
| (3) Deferred tax | | 628.14 | 395.74 |
| Total tax expense | | 7,783.09 | 11,519.93 |
| V. Profit for the year (III- IV) | | 22,754.22 | 30,794.10 |
| VI. Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| a) Re-measurement of defined benefit plans | | (16.36) | - |
| b) Income tax relating to item (a) above | | - | - |
| Other comprehensive income (net of tax) | | (16.36) | - |
| VII. Total comprehensive income for the year | | 22,737.86 | 30,794.10 |
| VIII. Earnings per equity share (Face value of ₹2/- each) | | | |
| (1) Basic (in ₹) | 36 | 70.18 | 95.04 |
| (2) Diluted (in ₹) | | 70.18 | 95.04 |
| Significant accounting policies and other information | 1 | | |

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

As per our report of even date

For **M. Anandam & Co.,**

Chartered Accountants

Firm Regn No: 0001255

Sd/-

M V Ranganath

Partner

Membership No.028031

Place : Hyderabad

Date : May 20, 2023

For and on behalf of Board of Directors

Sd/-

A Prathap Reddy

Executive Chairman

DIN 00003967

Place : Hyderabad

Date : May 20, 2023

Sd/-

A Srinivas Reddy

Whole Time Director & CFO

DIN 03169721

Place : Hyderabad

Date : May 20, 2023

Sd/-

Lakhan Dargad

Company Secretary

M No : A52571

Place : Solapur

Date : May 20, 2023

Standalone Statement of Cash Flow

for the year ended March 31, 2023

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--|------------------------------|------------------------------|
| Cash flow from operating activities: | | |
| Net profit before tax | 30,537.31 | 42,314.02 |
| Adjustments for: | | |
| Depreciation | 3,126.24 | 2,916.85 |
| Liabilities no longer required written back | (66.25) | (112.99) |
| Finance costs | 273.35 | 704.08 |
| Loss/(Profit) on sale of property, plant and equipment | 0.53 | (10.73) |
| Fair value gain on investments designated at FVTPL (Net) | (225.13) | - |
| Profit on redemption of mutual funds designated at FVTPL | (6.64) | (3.36) |
| Property, plant and equipment written off | 286.29 | - |
| Provision for doubtful debts | 13.02 | 8.13 |
| Interest income | (408.69) | (586.10) |
| Operating cash flow before working capital changes | 33,530.02 | 45,229.91 |
| Changes in operating assets and liabilities | | |
| (Increase) / decrease in inventories | (6,460.32) | (10,670.55) |
| (Increase)/ decrease in trade receivables | 17,584.31 | (16,378.28) |
| (Increase) / decrease in financial assets other than trade receivables | 1,337.13 | (489.79) |
| (Increase) / decrease in other current assets | (552.06) | 1,094.80 |
| (Increase) / decrease in other non current assets | (1,878.68) | 94.73 |
| Increase/ (decrease) in trade payables | (13,058.49) | 8,259.55 |
| Increase / (decrease) in other financial liabilities | (1,537.93) | 5,930.38 |
| Increase / (decrease) in provisions | 110.89 | (3,842.25) |
| Increase / (decrease) in other current liabilities | 96.88 | 115.77 |
| Increase / (decrease) in other non current liabilities | (0.83) | 1.02 |
| Increase / (decrease) in other non current financial liabilities | 7.19 | (194.37) |
| (Increase) / decrease in current tax assets | (154.37) | 7,375.83 |
| Increase / (decrease) in current tax liabilities | (323.75) | (8,340.39) |
| Cash generated from operations | 28,700.00 | 28,186.35 |
| Direct taxes paid (net) | (7,150.00) | (10,600.00) |
| Net cash flow from/(used in) operating activities | 21,550.00 | 17,586.35 |



Standalone Statement of Cash Flow (Contd.)

for the year ended March 31, 2023

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|------------------------------|------------------------------|
| Cash flow from investing activities | | |
| Purchase of property, plant and equipment including (Increase)/decrease in capital work-in-progress | (7,648.15) | (14,779.05) |
| Proceeds from sale of property, plant and equipment | 15.25 | 38.07 |
| Purchase of investments designated at FVTPL | (7,499.93) | (1,799.91) |
| Proceeds from sale of investments designated at FVTPL | 1,500.00 | 1,803.27 |
| Interest received | 395.66 | 586.10 |
| Net cash flow from/ (used in) investing activities | (13,237.16) | (14,151.52) |
| Cash flow from financing activities | | |
| Dividend paid | (1,944.06) | (1,296.04) |
| Interest paid | (273.35) | (704.08) |
| Net cash flow from/ (used in) financing activities | (2,217.41) | (2,000.12) |
| Net increase/(decrease) in cash and cash equivalents | 6,095.43 | 1,434.71 |
| Cash and Cash equivalents at the beginning of the year | 2,971.42 | 1,536.71 |
| Cash and Cash equivalents at the end of the year (Refer note 11 of financial statements) | 9,066.85 | 2,971.42 |

Notes : The above Cash flow statement has been prepared under the indirect method as set out in the Indian Accounting Standard (Ind AS) 7 - "Statement of Cash Flows".

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

As per our report of even date
For **M. Anandam & Co.,**
Chartered Accountants
Firm Regn No: 0001255

For and on behalf of Board of Directors

Sd/-
M V Ranganath
Partner
Membership No.028031
Place : Hyderabad
Date : May 20, 2023

Sd/-
A Prathap Reddy
Executive Chairman
DIN 00003967
Place : Hyderabad
Date : May 20, 2023

Sd/-
A Srinivas Reddy
Whole Time Director & CFO
DIN 03169721
Place : Hyderabad
Date : May 20, 2023

Sd/-
Lakhan Dargad
Company Secretary
M No : A52571
Place : Solapur
Date : May 20, 2023

Standalone Statement of Changes in Equity

for the year ended March 31, 2023

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

I) EQUITY SHARE CAPITAL

| Particulars | Amount |
|---|---------------|
| Balance as at April 1, 2022 | 648.02 |
| Add: Changes in equity share capital due to prior period errors | - |
| Changes in equity share capital during the year | - |
| Balance as at March 31, 2023 | 648.02 |
| Balance as at April 1, 2021 | 648.02 |
| Add: Changes in equity share capital due to prior period errors | - |
| Changes in equity share capital during the year | - |
| Balance as at March 31, 2022 | 648.02 |

II) OTHER EQUITY

| Particulars | Reserves and Surplus | | | | | Total |
|-------------------------------------|----------------------|-----------------|---------------|--------------------|------------------|--------------------|
| | Securities Premium | Capital Reserve | State Subsidy | Retained Earnings | General Reserve | |
| Balance as at April 1, 2022 | 569.61 | 6.21 | 297.90 | 1,04,905.04 | 12,812.02 | 1,18,590.78 |
| Profit for the year | - | - | - | 22,754.22 | - | 22,754.22 |
| Other comprehensive income/(loss) | - | - | - | (16.36) | - | (16.36) |
| Transfer to Capital reserve | - | 297.90 | (297.90) | - | - | - |
| Transfer to General reserve | - | - | - | (2,275.42) | 2,275.42 | - |
| Dividends paid | - | - | - | (1,944.06) | - | (1,944.06) |
| Balance as at March 31, 2023 | 569.61 | 304.11 | - | 1,23,423.42 | 15,087.44 | 1,39,384.56 |
| Balance as at April 1, 2021 | 569.61 | 6.21 | 297.90 | 78,485.68 | 9,733.32 | 89,092.72 |
| Profit for the year | - | - | - | 30,794.10 | - | 30,794.10 |
| Other comprehensive income/(loss) | - | - | - | - | - | - |
| Transfer to General reserve | - | - | - | (3,078.70) | 3,078.70 | - |
| Dividends paid | - | - | - | (1,296.04) | - | (1,296.04) |
| Balance as at March 31, 2022 | 569.61 | 6.21 | 297.90 | 1,04,905.04 | 12,812.02 | 1,18,590.77 |

Refer note no. 17 for description of the nature and purpose of each reserve within other equity.

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

As per our report of even date
For **M. Anandam & Co.,**
Chartered Accountants
Firm Regn No: 000125S

For and on behalf of Board of Directors

Sd/-
M V Ranganath
Partner
Membership No.028031
Place : Hyderabad
Date : May 20, 2023

Sd/-
A Prathap Reddy
Executive Chairman
DIN 00003967
Place : Hyderabad
Date : May 20, 2023

Sd/-
A Srinivas Reddy
Whole Time Director & CFO
DIN 03169721
Place : Hyderabad
Date : May 20, 2023

Sd/-
Lakhan Dargad
Company Secretary
M No : A52571
Place : Solapur
Date : May 20, 2023



Notes Forming Part of Financial Statements

for the year ended March 31, 2023

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

1 SIGNIFICANT ACCOUNTING POLICIES & OTHER INFORMATION

1.1 Corporate Information

Balaji Amines Limited (BAL) is a Public Limited company incorporated in India under the provisions of the Companies Act 2013. The Company's registered office is located at Balaji Towers, No.9/1A/1, Hotgi Road, Aasara Chowk, Solapur, Maharashtra - 413224. The equity shares of BAL are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), in India. BAL is engaged in manufacturing of speciality chemicals, aliphatics amines and derivatives. BAL has four manufacturing facilities, three plants at Tuljapur and Chincholi in Maharashtra and one at Medak, Telangana. BAL owns a Five Star Hotel in Solapur, Maharashtra.

1.2 Basis of preparation and measurement

(i) Statement of compliance & Basis of preparation

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

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

The financial statements were approved for issue by the Board of Directors on May 20, 2023.

(ii) Functional and presentation currency

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

(iii) Basis of measurement

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

- **Certain financial assets and liabilities:** Measured at fair value
- **Net defined benefit (asset)/ liability:** Fair value of plan assets less present value of defined benefit obligations

- Borrowings : Amortised cost using effective interest rate method

(iv) Use of estimates and judgments

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

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

The areas involving significant judgements and estimates are estimation of useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment and intangible assets, provision for employee benefits and other provisions, contingent liabilities and recoverability of deferred tax assets."

Assumptions and estimation uncertainties

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

- Determining an asset's expected useful life and the expected residual value at the end of its life;
- Impairment of financial assets;
- Measurement of defined benefit obligations: key actuarial assumptions;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Recognition of tax expense including deferred tax

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

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

Notes Forming Part of Financial Statements

for the year ended March 31, 2023 (Contd.)

that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

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

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

Further information about the assumptions made in measuring fair values is included Note 41 - Financial instruments

(v) Current and non-current classification:

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

Assets

An asset is classified as a current when:

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

All other assets are classified as non current

Liabilities

A liability is classified as a current when:

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

All other liabilities are classified as non-current.

Operating Cycle

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



Notes Forming Part of Financial Statements

for the year ended March 31, 2023 (Contd.)

1.3 Summary of significant accounting policies

A Revenue recognition

(i) Revenue from Amines Division

Revenue from contract with customers

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

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

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

(ii) Revenue from Hotel Division

Rooms, Food and Beverage and Banquets: Revenue is recognised at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and banquet services which is recognised once the rooms are occupied, food and beverages are sold and banquet services have been provided as per the contract with the customer. Advance, if any, received against room bookings are treated as a liability pending finalization of bill / provision of services.

Space and shop rentals: Rentals basically consists of rental revenue earned from letting of spaces for retails and office at the properties. These contracts for rentals are generally of short-term in nature. Revenue is recognised in the period in which services are being rendered.

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

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

Rental income from investment properties is recognised on a straight line basis over the term of the relevant leases.

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

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

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

Pending export obligation is recognised and disclosed as non-current liability in the Balance Sheet and transferred to the Statement of Profit and Loss upon satisfaction of obligation and where there is no significant uncertainty regarding compliance with the terms and conditions of such scheme.

B Property, plant and equipment (PPE)

Property, plant and equipment acquired by the company are carried at acquisition cost less accumulated depreciation and accumulated impairment losses, if any. 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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from its use.

Difference between the sales proceeds and the carrying amount of the asset is recognized in the statement of profit and loss. The catalyst is an asset that facilitates the process that increases the future economic benefits and output efficiency expected from the plant.

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 lease. i.e. 99-year lease for Unit III and 95-year lease for Unit IV.

Notes Forming Part of Financial Statements

for the year ended March 31, 2023 (Contd.)

C Capital work-in-progress

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

D Research and Development

Revenue expenditure on research is charged to Statement of profit and loss in the year in which it is incurred.

Development Expenditure incurred on development of new processes or products which are expected to generate future economic benefits, are treated as Intangible Assets and are amortized in accordance with estimated useful life.

Other development expenses are charged to the Statement of profit and loss in the year in which they are incurred.

E Investment Property

Investment property are the properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost model which is in accordance with Ind AS 40.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no further economic benefits expected from disposal. Any gain or loss arising on derecognition of the property is included in profit or loss in the period in which the property is derecognised.

Depreciation on building is provided over its useful life of 30 years using the Straight Line Method.

F Depreciation and Amortisation

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 written down immediately to its recoverable amount

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

if the asset's carrying amount is greater than its estimated recoverable amount.

Catalyst is depreciated over the useful life estimated by Management.

G Government grants and subsidies

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

H Leases

As a Lessee:

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

- (1) The Contract involves the use of an identified asset;
- (2) The Company has substantially all the economic benefits from use of the asset through the period of the lease and
- (3) The Company has the right to direct the use of the asset.

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

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

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

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



Notes Forming Part of Financial Statements

for the year ended March 31, 2023 (Contd.)

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

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

As a Lessor:

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

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

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

I 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.

Defined benefit plan - Gratuity obligation

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

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

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

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

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

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

Defined benefit plan - Other long-term employee benefit obligations

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

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

Defined contribution plans

Contributions to post employment benefit plans in the form of provident funds, employee state insurance scheme and pension scheme as per regulations are charged as an expense on accrual basis when employees have rendered the service. The Company has no further payment obligations once the contributions have been paid.

Notes Forming Part of Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

J Tax expenses

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

Tax expense for the year comprises current and deferred tax.

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

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

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

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

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

K Inventories

Raw materials, packing materials, stores and spares, and other consumables are valued at cost or net realizable value, whichever is lower. Cost comprises of basic cost (net of GST, if any) and other costs incurred in bringing them to their respective present location and condition. Cost is determined on a First-in-First Out basis.

Work-in-Progress and finished goods are valued at cost or net realizable value, whichever is lower. Cost includes all direct costs and a proportion of other fixed manufacturing overheads based on normal operating capacity. Cost is determined on a Weighted Average basis.

Food & Beverages:

Groceries and beverages are valued at cost which is determined on weighted average basis.

L Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of not more than three months, which are subject to an insignificant risk of changes in value.

M Borrowing Costs

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale.

Investment income earned if any on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization. Other borrowings costs are expensed in the period in which they are incurred.

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."

N Foreign Currency Transactions

The financial statements of the Company are presented in Indian rupees, which is the functional currency of the Company and the presentation currency for the financial statements.



Notes Forming Part of Financial Statements

for the year ended March 31, 2023 (Contd.)

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year end exchange rates. Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

O Impairment of Assets

(i). Impairment of financial instruments

The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

(ii) Impairment of non-financial assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

P Earnings Per Share

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

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

Q Financial instruments

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

(i) Initial measurement and recognition

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

(ii) Classification and subsequent measurement Financial assets

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

(ii) Subsequent measurement

For the purpose of subsequent measurement, financial assets are categorised as under:

- amortised cost;
- Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
- Fair Value Through Profit or Loss (FVTPL)

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

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes Forming Part of Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

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

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

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

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

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

Financial Liabilities:

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

Derecognition - Financial assets

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

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

Derecognition - Financial liabilities

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

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

Financial Instruments Offsetting

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

R Provisions, Contingent liabilities and Contingent assets

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



Notes Forming Part of Financial Statements

for the year ended March 31, 2023 (Contd.)

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent Liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realised.

S Standards issued but not effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 – Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies.

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 – Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Notes Forming Part of Financial Statements

for the year ended march 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

2.1(a). PROPERTY, PLANT AND EQUIPMENT

| Particulars | Gross carrying amount | | | Accumulated depreciation | | | Net carrying amount |
|------------------------------|-----------------------|------------------|-----------------|--------------------------|-----------------|------------------------|----------------------|
| | As at April 1, 2022 | Additions | Deletions | As at April 1, 2022 | For the year | Disposals/ Adjustments | As at March 31, 2023 |
| Freehold land | 3,740.44 | 230.88 | - | 54.87 | 43.44 | - | 3,873.01 |
| Leasehold land | 1,779.63 | 113.43 | - | 31.79 | 18.41 | - | 1,842.87 |
| Buildings | 14,436.07 | 1,770.91 | - | 3,001.15 | 376.40 | - | 12,829.44 |
| Plant and equipment | 48,489.81 | 11,599.82 | 1,309.66 | 19,002.43 | 2,330.40 | 1,012.67 | 38,459.80 |
| Plant and equipment - others | 2,615.79 | 461.42 | - | 718.64 | 118.70 | - | 2,239.88 |
| Furniture and fixtures | 2,483.07 | 146.80 | 1.50 | 2,068.26 | 145.22 | - | 414.90 |
| Office equipment | 83.97 | 2.37 | - | 63.86 | 3.15 | - | 19.33 |
| Computers | 128.85 | 6.62 | - | 109.59 | 6.50 | - | 19.38 |
| Vehicles | 676.24 | - | 46.87 | 382.38 | 64.74 | 39.26 | 221.51 |
| TOTAL | 74,433.88 | 14,332.26 | 1,358.03 | 25,432.97 | 3,106.95 | 1,051.92 | 59,920.12 |

2.1(b). PROPERTY, PLANT AND EQUIPMENT

| Particulars | Gross carrying amount | | | Accumulated depreciation | | | Net carrying amount |
|------------------------------|-----------------------|------------------|--------------|--------------------------|-----------------|------------------------|----------------------|
| | As at April 1, 2021 | Additions | Deletions | As at April 1, 2021 | For the year | Disposals/ Adjustments | As at March 31, 2022 |
| Freehold land | 1,379.86 | 2,360.58 | - | 23.46 | 31.42 | - | 3,685.57 |
| Leasehold land | 1,779.63 | - | - | 13.98 | 17.81 | - | 1,747.84 |
| Buildings | 11,495.91 | 2,940.16 | - | 2,667.61 | 333.54 | - | 11,434.92 |
| Plant and equipment | 36,822.53 | 11,688.77 | 21.49 | 16,936.36 | 2,078.67 | 12.60 | 29,487.38 |
| Plant and equipment - others | 1,927.78 | 688.01 | - | 604.68 | 113.95 | - | 1,897.16 |
| Furniture and fixtures | 2,311.34 | 147.05 | - | 1,798.22 | 249.15 | - | 411.02 |
| Office equipment | 98.14 | 10.51 | - | 76.79 | 7.97 | - | 23.89 |
| Computers | 116.98 | 11.87 | - | 104.15 | 5.44 | - | 19.26 |
| Vehicles | 575.51 | 166.09 | 65.35 | 369.21 | 60.07 | 46.91 | 293.87 |
| TOTAL | 56,507.68 | 18,013.05 | 86.85 | 22,594.46 | 2,898.02 | 59.50 | 49,000.91 |

2.1(c). DISCLOSURES RELATING TO OPERATING LEASES

The undiscounted minimum lease payments to be received over the remaining non-cancellable term on an annual basis are as follows:

| Term | As at March 31, 2023 | As at March 31, 2022 |
|----------------------|----------------------|----------------------|
| 1 st year | 190.64 | 171.58 |
| 2 nd year | 193.54 | 190.64 |
| 3 rd year | 90.69 | 193.54 |
| 4 th year | 23.81 | 90.69 |
| 5 th year | 5.95 | 23.81 |
| Beyond 5 years | 0.00 | 5.95 |

Notes Forming Part of Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

4. INVESTMENTS

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Unquoted - Fully paid up | | |
| Investments at amortised cost | | |
| Investments in equity instruments | | |
| In subsidiary company | | |
| Balaji Speciality Chemicals Limited | 6,600.00 | 6,600.00 |
| (11,00,00,000) (P.Y.11,00,00,000) equity shares of ₹2/- each | | |
| Investments designated at fair value through profit or loss (FVTPL) | | |
| Investments in others | | |
| National Savings Certificate | 0.10 | 0.10 |
| Total | 6,600.10 | 6,600.10 |
| Aggregate amount of quoted investments | - | - |
| Aggregate amount of unquoted investments | 6,600.10 | 6,600.10 |
| Aggregate amount of impairment in the value of investments | - | - |

5. LOANS

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------------------|----------------------|----------------------|
| Unsecured, considered good | | |
| Loan to subsidiary company | - | 6,600.00 |
| Total | - | 6,600.00 |

Unsecured loan to the subsidiary company carries interest rate of 7.00% p.a.

Disclosure as per Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186(4) of the Companies Act, 2013.

| Name of the Subsidiary | Purpose | Amount outstanding | | Maximum balance outstanding during the year ended | |
|--|----------|-------------------------|-------------------------|--|-------------------------|
| | | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2023 | As at March 31, 2022 |
| Balaji Speciality Chemicals Limited | Business | - | 6,600.00 | 6,600.00 | 6,600.00 |

6. OTHER FINANCIAL ASSETS (NON-CURRENT)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------|----------------------|
| Margin money deposits against bank guarantee | 27.08 | 4.83 |
| Security deposits with government companies and others | 417.12 | 413.17 |
| Total | 444.20 | 418.00 |



Notes Forming Part of Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

7. OTHER ASSETS (NON-CURRENT)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|------------------------------|----------------------|----------------------|
| Prepaid Expenses | 48.89 | - |
| Capital Advances | 2,228.37 | 466.64 |
| Taxes paid under protest | 367.64 | 291.58 |
| Income tax refund receivable | 220.56 | 228.57 |
| Total | 2,865.46 | 986.78 |

8. INVENTORIES

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------|----------------------|
| (Valued at lower of cost and net realisable value) | | |
| Raw materials (includes materials in transit of ₹1450.31 lakhs; P.Y. ₹4107.88 lakhs) | 15,112.83 | 9,946.82 |
| Work-in-progress | 1,592.08 | 2,271.79 |
| Finished goods (including stock in transit ₹1216.30 lakhs; P.Y. Nil) | 7,805.55 | 6,113.59 |
| Stores and spares | 979.28 | 653.34 |
| Packing materials | 304.06 | 262.95 |
| Fuel and others | 831.14 | 937.62 |
| Housekeeping and kitchen stewarding | 56.84 | 54.21 |
| Food & beverages | 41.66 | 22.80 |
| Total | 26,723.44 | 20,263.12 |

8.1 For inventories secured against borrowings, refer note 40(b) to the financial statements.

9. INVESTMENTS

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------|----------------------|
| Investments designated at fair value through profit or loss (FVTPL) | | |
| Unquoted - Fully paid up | | |
| Sundaram Liquid Fund (Regular Plan Growth -LFPG) | 6,231.69 | - |
| (3,16,031.582 (P.Y Nil) units at NAV of ₹1971.8572/- each) | | |
| Total | 6,231.69 | - |
| Aggregate amount of quoted investments | - | - |
| Aggregate amount of unquoted investments | 6,231.69 | - |
| Aggregate amount of impairment in the value of investments | - | - |

10. TRADE RECEIVABLES

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------------|----------------------|----------------------|
| Unsecured, considered good* | 26,028.89 | 43,613.20 |
| Total | 26,028.89 | 43,613.20 |

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

10.1 For Trade receivables secured against borrowings, refer note 40(b) to the financial statements.

10.2 For Company's exposure to the market risk and credit risk, refer note 40 to the financial statements.

10.3 Trade receivables are non-interest bearing and generally on credit term of 7 to 120 days.

Notes Forming Part of Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

Trade Receivables ageing schedule

As at March 31, 2023

| Particulars | Not Due | 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 | 23,200.99 | 2,823.19 | 2.08 | 0.20 | 0.44 | - | 26,026.90 |
| (ii) Undisputed Trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade receivables – credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade receivables – considered good | - | - | - | - | 1.99 | - | 1.99 |
| (v) Disputed Trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade receivables – credit impaired | - | - | - | - | - | - | - |
| (vii) Expected credit loss rate [#] | - | - | - | - | - | - | - |
| (viii) Expected credit loss | - | - | - | - | - | - | - |
| Total | 23,200.99 | 2,823.19 | 2.08 | 0.20 | 2.43 | - | 26,028.89 |

[#]The Company has not accounted for expected losses as it has no defaults in payments from the customers in the earlier years.

As at March 31, 2022

| Particulars | Not Due | 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 | 39,213.28 | 4,396.83 | 0.08 | 0.09 | 0.01 | 0.01 | 43,610.29 |
| (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 increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade receivables – credit impaired | - | - | - | - | - | - | - |
| (vii) Expected credit loss rate [#] | - | - | - | - | - | - | - |
| (viii) Expected credit loss | - | - | - | - | - | - | - |
| Total | 39,213.28 | 4,396.83 | 0.08 | 3.00 | 0.01 | 0.01 | 43,613.20 |

[#]The Company has not accounted for expected losses as it has no defaults in payments from the customers in the earlier years.



Notes Forming Part of Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

11. CASH AND CASH EQUIVALENTS

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| a) Balances with banks | | |
| - in current accounts | 43.04 | 51.51 |
| - debit balance in cash credit accounts | 1,872.64 | 2,918.01 |
| - in deposit accounts | 7,150.17 | - |
| b) Cash on hand | 1.00 | 1.90 |
| Total | 9,066.85 | 2,971.42 |

12. OTHER BANK BALANCES

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------------------|----------------------|-------------------------|
| Balances with banks | | |
| Fixed deposits with bank | 7,000.00 | 1,841.05 |
| Earmarked balances with banks | | |
| Margin money deposit accounts | 45.06 | - |
| Total | 7,045.06 | 1,841.05 |

13. OTHER FINANCIAL ASSETS (CURRENT)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Interest accrued and due on deposits and others | 13.03 | - |
| Other receivables | 32.66 | - |
| Total | 45.69 | - |

14. CURRENT TAX ASSETS (NET)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------------|-------------------------|-------------------------|
| Advance tax and TDS receivable | 7,377.31 | - |
| Less: Provision for tax | (7,222.94) | - |
| Total | 154.37 | - |

15. OTHER ASSETS (CURRENT)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------------------|-------------------------|-------------------------|
| Prepaid expenses | 263.26 | 201.37 |
| Advances to suppliers | 841.11 | 1,116.70 |
| Employee advances | 6.97 | 10.49 |
| GST input and refund receivable | 844.64 | 172.02 |
| Export benefits receivable | 72.96 | 25.18 |
| Incentive receivable from government | 80.60 | - |
| Others* | 31.72 | 31.72 |
| Less : Provision | (31.72) | - |
| Total | 2,109.53 | 1,557.47 |

*The company had an arrangement for supply of coal in specified consignments on a periodic basis. Few consignments aggregating to ₹31.71 lakhs were misappropriated, while in transit, by 2 employees of the company during the year ended March 31, 2015. The services of the said employees were terminated in that year itself and legal action against initiated on these employees including action for the recovery of the above-mentioned amounts. Pending recovery, the amounts have been fully provided for.

Notes Forming Part of Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

16. EQUITY SHARE CAPITAL

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| AUTHORIZED | | |
| 22,75,00,000 (P.Y. 22,75,00,000) equity shares of ₹2/- each | 4,550.00 | 4,550.00 |
| Total | 4,550.00 | 4,550.00 |
| ISSUED, SUBSCRIBED & PAID-UP CAPITAL | | |
| 3,24,01,000 (P.Y. 3,24,01,000) equity shares of ₹2/- each, fully paid up | 648.02 | 648.02 |
| Total | 648.02 | 648.02 |

(A) Movement in equity share capital:

| Particulars | No of Shares | Amount |
|----------------------------------|--------------------|---------------|
| Balance at April 1, 2021 | 3,24,01,000 | 648.02 |
| Movement during the year | - | - |
| Balance at March 31, 2022 | 3,24,01,000 | 648.02 |
| Movement during the year | - | - |
| Balance at March 31, 2023 | 3,24,01,000 | 648.02 |

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

| Name of the shareholder | As at March 31, 2023 | | As at March 31, 2022 | |
|----------------------------------|----------------------|-----------|----------------------|-----------|
| | No. of Shares | % holding | No. of Shares | % holding |
| Ande Prathap Reddy | 49,69,709 | 15.34 | 49,69,229 | 15.34 |
| APR Holdings and Investments LLP | 47,74,720 | 14.74 | 47,74,720 | 14.74 |
| Ande Shakunthala Devi | 19,63,049 | 6.06 | 19,63,049 | 6.06 |
| Ande Srinivas Reddy | 16,94,097 | 5.23 | 16,93,647 | 5.23 |

(C) Terms/Rights attached to equity shares

The company has only one class of equity shares having a face value of ₹2/- each (P.Y ₹2/- each). Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(D) (i) Shareholding of promoters as at March 31, 2023

| Name of the promoter | No. of shares | % of total shares | % of change during the year |
|------------------------|------------------|-------------------|-----------------------------|
| Ande Prathap Reddy | 49,69,709 | 15.34 | - |
| Dundurapu Ram Reddy | 4,74,855 | 1.47 | 0.01 |
| Rajeshwar Reddy Nomula | 5,94,993 | 1.84 | - |
| Hemanth Reddy Gaddam | 7,18,803 | 2.22 | - |
| Ande Srinivas Reddy | 16,94,097 | 5.23 | - |
| Total | 84,52,457 | 26.10 | 0.01 |



Notes Forming Part of Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

(ii) Shareholding of promoters as at March 31, 2022

| Name of the promoter | No. of shares | % of total shares | % of change during the year |
|------------------------|------------------|-------------------|-----------------------------|
| Ande Prathap Reddy | 49,69,229 | 15.34 | - |
| Dundurapu Ram Reddy | 4,74,655 | 1.46 | - |
| Rajeshwar Reddy Nomula | 5,94,895 | 1.84 | - |
| Hemanth Reddy Gaddam | 7,18,803 | 2.22 | - |
| Ande Srinivas Reddy | 16,93,647 | 5.23 | - |
| Total | 84,51,229 | 26.09 | - |

17. OTHER EQUITY

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------------|-------------------------|-------------------------|
| Reserves and surplus | | |
| Securities premium | 569.61 | 569.61 |
| Capital Reserve | 304.11 | 6.21 |
| State Subsidy | - | 297.90 |
| Retained earnings | 1,23,423.41 | 1,04,905.04 |
| General Reserve | 15,087.44 | 12,812.02 |
| Total | 1,39,384.56 | 1,18,590.77 |

Securities premium

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Opening balance | 569.61 | 569.61 |
| Additions during the year | - | - |
| Deductions/adjustments during the year | - | - |
| Closing balance | 569.61 | 569.61 |

Capital Reserve

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------|-------------------------|-------------------------|
| Opening balance | 6.21 | 6.21 |
| Additions during the year | 297.90 | - |
| Closing balance | 304.11 | 6.21 |

State Subsidy

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Opening balance | 297.90 | 297.90 |
| Additions during the year | - | - |
| Deductions/adjustments during the year | (297.90) | - |
| Closing balance | - | 297.90 |

Notes Forming Part of Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

Retained earnings

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Opening balance | 1,04,905.04 | 78,485.68 |
| Add: Profit for the year | 22,754.22 | 30,794.10 |
| Add: Other comprehensive income - Remeasurement of defined benefit plans (net of tax) | (16.36) | - |
| Less : Transfer to General Reserve | (2,275.42) | (3,078.70) |
| Less : Dividend paid | (1,944.06) | (1,296.04) |
| Closing balance | 1,23,423.42 | 1,04,905.04 |

General Reserve

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------|-------------------------|-------------------------|
| Opening balance | 12,812.02 | 9,733.32 |
| Additions during the year | 2,275.42 | 3,078.70 |
| Closing balance | 15,087.44 | 12,812.02 |

Nature and purpose of other reserves

(i) Securities premium

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

(ii) Capital reserve

Capital reserve includes transfer of forfeited shares amount and state subsidy. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

(iii) Retained earnings

This reserve represents the cumulative profits of the Company and effects of the remeasurement of defined benefit obligations. The reserve is utilised in accordance with the provisions of the Companies Act, 2013

(iv) General Reserve

This reserve is used to record the transfers made from the retained earnings and was made on account of the requirements of the Companies Act, 2013 for payment of dividends. General reserve is used for strengthening the financial position and meeting future contingencies and losses.

18. OTHER NON-CURRENT FINANCIAL LIABILITIES

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-----------------|-------------------------|-------------------------|
| Rental deposits | 100.14 | 92.95 |
| Total | 100.14 | 92.95 |

19. PROVISIONS (NON-CURRENT)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Provision for employee benefits | | |
| Leave encashment | 102.26 | - |
| Others | 78.51 | 65.49 |
| Total | 180.76 | 65.49 |



Notes Forming Part of Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

Movement in Other provisions

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Opening balance | 65.49 | 57.36 |
| Add : Provision created during the year | 13.02 | 8.13 |
| Closing balance | 78.51 | 65.49 |

20. DEFERRED TAX LIABILITIES (NET)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Deferred tax liabilities on timing difference due to: | | |
| Depreciation and amortisation expenses | 5,858.62 | 5,262.49 |
| Expenses allowable on payment basis | 32.00 | - |
| Deferred tax liabilities (net) | 5,890.62 | 5,262.49 |

Movement in deferred tax liabilities (net)

| Particulars | WDV of Property, Plant and Equipment | Expenses allowable on payment basis | Total |
|---------------------------------|---|--|-----------------|
| As at April 1, 2022 | 5,262.49 | | 5,262.49 |
| (Charged)/Credited | | | |
| to Statement of profit and loss | 596.14 | 32.00 | 628.14 |
| to Other comprehensive income | - | | - |
| As at March 31, 2023 | 5,858.62 | 32.00 | 5,890.62 |

| Particulars | WDV of Property, Plant and Equipment | Expenses allowable on payment basis | Total |
|---------------------------------|---|--|-----------------|
| As at April 1, 2021 | 4,866.75 | - | 4,866.75 |
| (Charged)/Credited | | | |
| to Statement of profit and loss | 395.74 | - | 395.74 |
| to Other comprehensive income | - | | - |
| As at March 31, 2022 | 5,262.49 | - | 5,262.49 |

21. OTHER NON CURRENT LIABILITIES

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|----------------------------------|-------------------------|-------------------------|
| Deferred revenue export benefits | 97.04 | 97.87 |
| Total | 97.04 | 97.87 |

Note: The Company has imported capital equipment under Export Promotion Capital Goods Scheme (EPCG) under the Foreign Trade Policy 2015-2020. This balance represents the duty saved on import under EPCG scheme against which the Company has to fulfill export obligations as per the terms of the scheme.

22. TRADE PAYABLES

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Dues to micro enterprises and small enterprises | 1,023.81 | 1,200.75 |
| Dues to creditors other than micro enterprises and small enterprises* | 2,578.71 | 15,526.50 |
| Total | 3,602.52 | 16,727.25 |

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

Notes Forming Part of Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

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

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of the year | | |
| Principal amount due to micro and small enterprises | 1,023.81 | 1,200.75 |
| Interest due on above | - | - |
| ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period. | - | - |
| iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006. | - | - |
| iv) The amount of interest accrued and remaining unpaid at the end of each accounting year. | - | - |
| v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |

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

Trade payables aging schedule as at March 31, 2023

| Particulars | Outstanding for following periods from due date of payment | | | | | Unbilled | Total |
|-----------------------------|--|---------------------|--------------|--------------|----------------------|---------------|-----------------|
| | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | | |
| (i) MSME | 1,023.81 | - | - | - | - | - | 1,023.81 |
| (ii) Others | 1,340.62 | 890.39 | 8.77 | 4.81 | 11.08 | 323.04 | 2,578.71 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - | - |
| Total | 2,364.43 | 890.39 | 8.77 | 4.81 | 11.08 | 323.04 | 3,602.52 |

Trade payables aging schedule as at March 31, 2022

| Particulars | Outstanding for following periods from due date of payment | | | | | Unbilled | Total |
|-----------------------------|--|---------------------|--------------|--------------|----------------------|---------------|------------------|
| | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | | |
| (i) MSME | 1,200.75 | - | - | - | - | - | 1,200.75 |
| (ii) Others | 10,754.14 | 4,280.60 | 24.01 | 16.13 | 14.83 | 436.79 | 15,526.50 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - | - |
| Total | 11,954.89 | 4,280.60 | 24.01 | 16.13 | 14.83 | 436.79 | 16,727.25 |

23. OTHER CURRENT FINANCIAL LIABILITIES

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------------|-------------------------|-------------------------|
| Salaries payable | 3,478.26 | 4,671.48 |
| Other recoveries payable | 51.88 | 29.59 |
| Security deposits | 202.90 | 40.60 |
| Creditors for capital goods | 897.14 | 1,426.44 |
| Total | 4,630.18 | 6,168.11 |



Notes Forming Part of Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

24. OTHER CURRENT LIABILITIES

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Advances from customers | 252.10 | 245.33 |
| Statutory liabilities | 312.16 | 230.40 |
| Export obligation under advance authorisation scheme** | 8.34 | - |
| Total | 572.60 | 475.72 |

**The Company has imported goods under Advance Authorisation Scheme. This balance represents the duty saved on import under this scheme against which the Company has to fulfill export obligations as per the terms of the scheme.

25. PROVISIONS (CURRENT)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Provision for employee benefits | | |
| Leave encashment | 24.99 | - |
| Total | 24.99 | - |

26. CURRENT TAX LIABILITIES (NET)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Provision for tax (net of advance tax) | - | 318.80 |
| Total | - | 318.80 |

27. REVENUE FROM OPERATIONS

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--|------------------------------|------------------------------|
| Sale of products | | |
| Sale of Aliphatic amines, speciality chemicals and derivatives of amines | 1,69,392.24 | 1,89,384.94 |
| Sale of services | | |
| Rooms, restaurants, banquets and other services | 2,576.58 | 1,605.31 |
| Other operating revenues | | |
| Scrap sales | 134.47 | 122.47 |
| Incentive from government | 127.72 | 258.62 |
| Export incentives | 397.30 | 695.22 |
| Total Revenue from operations | 1,72,628.31 | 1,92,066.56 |

28. OTHER INCOME

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|------------------------------|------------------------------|
| Interest income on bank deposits and others at amortised cost | 315.23 | 42.91 |
| Liabilities no longer required written back | 66.25 | 112.99 |
| Profit on redemption of Mutual funds designated at FVTPL | 6.64 | 3.36 |
| Fair value gain on investments designated at FVTPL (Net) | 225.13 | - |
| Profit on Sale of Property, plant and equipment (net) | - | 10.73 |
| Foreign exchange gain (net) | - | 943.15 |
| Rental income | 203.01 | 172.21 |

Notes Forming Part of Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--|------------------------------|------------------------------|
| Interest on loan to subsidiary company carried at amortised cost | 93.46 | 543.19 |
| Insurance claims received | 61.65 | - |
| Sales tax refund and interest thereon | - | 5.43 |
| Miscellaneous income | 4.28 | 5.52 |
| Total | 975.65 | 1,839.49 |

29. COST OF MATERIALS CONSUMED

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---------------------|------------------------------|------------------------------|
| Opening Stock | 6,138.28 | 4,146.91 |
| Add: Purchases | 1,09,219.36 | 1,14,569.00 |
| Less: Closing Stock | 13,834.66 | 6,138.28 |
| Total | 1,01,522.98 | 1,12,577.62 |

30. CHANGES IN INVENTORIES OF WORK-IN-PROGRESS AND FINISHED GOODS

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|----------------------------|------------------------------|------------------------------|
| Opening inventories | | |
| Finished goods | 6,113.59 | 2,868.77 |
| Work-in-progress | 2,271.79 | 245.50 |
| (A) | 8,385.38 | 3,114.27 |
| Closing inventories | | |
| Finished goods | 7,805.55 | 6,113.59 |
| Work-in-progress | 1,592.08 | 2,271.79 |
| (B) | 9,397.63 | 8,385.38 |
| Total (A-B) | (1,012.24) | (5,271.12) |

31. EMPLOYEE BENEFITS EXPENSE

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|------------------------------|------------------------------|
| Salaries, wages and bonus | 7,220.10 | 7,959.41 |
| Contribution to provident and other funds | 724.67 | 803.97 |
| Staff welfare expenses | 74.62 | 584.20 |
| Total | 8,019.40 | 9,347.58 |

32. FINANCE COSTS

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|------------------------------|------------------------------|
| Interest on borrowings | 3.38 | 254.16 |
| Interest on shortfall in payment of advance tax | 12.80 | - |
| Other borrowing costs | 257.17 | 449.92 |
| Total | 273.35 | 704.08 |



Notes Forming Part of Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

33. DEPRECIATION

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|------------------------------|------------------------------|
| Depreciation on property, plant and equipment | 3,106.95 | 2,769.14 |
| Depreciation on investment property | 19.29 | 147.71 |
| Total | 3,126.24 | 2,916.85 |

34. OTHER EXPENSES

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--|------------------------------|------------------------------|
| Consumption of stores and spares | 1,306.10 | 1,519.40 |
| Consumption of packing material | 3,522.42 | 4,090.77 |
| Power and fuel | 16,220.56 | 16,082.82 |
| Freight charges | 4,776.12 | 5,374.01 |
| Effluent treatment expenses | 367.16 | 315.05 |
| Travelling and conveyance | 210.32 | 162.31 |
| Repairs and Maintenance | | |
| Buildings | 102.23 | 164.84 |
| Plant and equipment | 895.84 | 979.87 |
| Others | 64.00 | 54.71 |
| Printing and stationery | 39.53 | 38.67 |
| Communication expenses | 21.13 | 23.81 |
| Legal and professional charges | 93.97 | 180.39 |
| Insurance | 380.19 | 223.48 |
| Auditors' remuneration (Refer note 34 a) | 56.00 | 31.50 |
| Directors sitting fees | 5.64 | 5.97 |
| Rates and taxes | 103.59 | 54.97 |
| Commission and discount | 602.89 | 647.24 |
| Sales promotion and other selling expenses | 458.66 | 430.49 |
| Advertisement expenses | 10.53 | 7.09 |
| Computer maintenance | 17.30 | 10.89 |
| Operator's management & incentive fees | 155.52 | 94.54 |
| Registrations and Renewals | 131.34 | 146.43 |
| Foreign exchange loss (net) | 101.13 | - |
| Expenditure on Corporate Social Responsibility (refer note 34 b) | 592.95 | 425.02 |
| Expenditure on Corporate Environmental Responsibility | 216.07 | - |
| Research & development expenses | 121.62 | 56.04 |
| Spa operating expenses | 41.88 | 36.14 |
| Water testing charges | 1.70 | 0.81 |
| Banquet expenses | 9.76 | 4.63 |
| Provision for doubtful debts | 13.02 | 8.13 |
| Property, plant and equipment written off | 286.29 | - |
| Miscellaneous expenses | 211.48 | 146.99 |
| Total | 31,136.93 | 31,317.00 |

Notes Forming Part of Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

34 a. Auditors' remuneration

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---------------------------|------------------------------|------------------------------|
| Statutory auditors | | |
| Statutory audit | 28.00 | 31.50 |
| Limited review | 8.00 | - |
| Tax audit | 20.00 | - |
| Total | 56.00 | 31.50 |

34 b. Expenditure on corporate social responsibility

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|--|--|
| a) Amount required to be spent as per Section 135 of the Act | 591.22 | 425.86 |
| b) Amount of expenditure incurred on: | 592.95 | 425.03 |
| i) Construction/ acquisition of any assets | 316.66 | 131.26 |
| ii) On purposes other than (i) above | 276.29 | 293.77 |
| c) Shortfall / (Excess) at the end of the year | - | 0.83 |
| d) Total of previous years' shortfall | - | - |
| e) Reason for shortfall | NA | Adjusted out of previous year's excess spend |
| f) Nature of CSR activities under Sec 135 read with Schedule VII of Companies Act, 2013 | Promoting sports, Promoting education, Rural development, Healthcare | Promoting sports, Promoting education, Rural development, Healthcare, Promotion of Road safety |

35. TAX EXPENSE

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--|------------------------------|------------------------------|
| (a) Amount recognised in statement of profit and loss | | |
| Current tax | 7,210.14 | 11,127.00 |
| Earlier years' tax | (55.18) | (2.81) |
| Deferred tax | 628.14 | 395.74 |
| Total tax expense | 7,783.10 | 11,519.93 |
| (b) Amount recognised in other comprehensive income | | |
| Deferred tax related to items recognised in OCI | | |
| Deferred tax expense/(income) on remeasurements of defined benefit obligations | - | - |
| Income-tax expense/(income) recognised in OCI | - | - |
| (c) Reconciliation of effective tax rate: | | |
| Profit before tax | 30,537.31 | 42,314.61 |
| Enacted tax rate in India | 25.17% | 25.17% |
| Tax expense at enacted rates | 7,686.24 | 10,650.59 |
| Tax neutral adjustments | (476.10) | 476.41 |
| Effect of deferred tax | 628.14 | 395.74 |
| Effect of earlier years' tax | (55.18) | (2.81) |
| Income-tax recognised in the statement of profit and loss | 7,783.09 | 11,519.93 |



Notes Forming Part of Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

36. EARNINGS PER SHARE:

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--|------------------------------|------------------------------|
| Net Profit for the year as per statement of profit & loss | 22,738 | 30,794 |
| Number of shares outstanding at the end of the year | 3,24,01,000 | 3,24,01,000 |
| Weighted average number of equity shares outstanding during the year | 3,24,01,000 | 3,24,01,000 |
| Basic and Diluted earnings per share (₹) | 70.18 | 95.04 |
| Face value per share (₹) | 2.00 | 2.00 |

37. CONTINGENT LIABILITIES AND COMMITMENTS

(a) Contingent liabilities

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Claims against the Company not acknowledged as debts | | |
| Income tax | 558.75 | 297.09 |
| Guarantees | | |
| Corporate guarantee provided to bank on behalf of subsidiary company | - | 250.00 |
| Total | 558.75 | 547.09 |

(b) Capital and other commitments

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for | 6,749.04 | 1,136.85 |
| Total | 6,749.04 | 1,136.85 |

38. RELATED PARTY DISCLOSURES

| Name of the related party | Description of the relationship |
|---------------------------------------|---|
| Key management personnel (KMP) | |
| Mr. Ande Prathap Reddy | Executive Chairman |
| Mr. Dundurapu Ram Reddy | Managing Director |
| Mr. Nomula Rajeshwar Reddy | Joint Managing Director (up to 20 th May, 2023) |
| | Whole Time Director (from 20 th May, 2023) |
| Mr. Ande Srinivas Reddy | Whole Time Director & CFO (from 20 th May, 2023) |
| Mr. Gaddam Hemanth Reddy | Whole Time Director & CFO (upto 20 th May, 2023) |
| Mr. Naveena Chandra Thammishetty | Independent Director (upto 20 th May, 2023) |
| Mr. Amarendra Reddy Minupuri | Independent Director (upto 20 th May, 2023) |
| Mr. Satyanarayana Murthy Chavali | Independent Director (upto 20 th May, 2023) |
| Mr. Kashinath Revappa Dhole | Independent Director (upto 20 th May, 2023) |
| Ms. Vimala Behram Madon | Independent Director (upto 20 th May, 2023) |
| Dr. Suhasini Yatin Shah | Independent Director (from 20 th May, 2023) |
| Dr. Uma Rajiv Pradhan | Independent Director (from 20 th May, 2023) |
| Mr. Mohan Kumar Ramakrishna | Independent Director (from 20 th May, 2023) |
| Mr. Adabala Seshagiri Rao | Independent Director (from 20 th May, 2023) |
| Mr. Lakhan Dargad | Company Secretary |
| Balaji Speciality Chemicals Limited | Subsidiary company |
| Thirumala Precicasts Private Limited | Enterprise where KMP has Significance Influence/ Control |

Notes Forming Part of Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

Name of the related party

MVL Medisynth Private Limited
SVS Sourcings Private Limited
Sri Venkateshwara Cement Products
APR Holdings and Investments LLP

Description of the relationship

Enterprise where KMP has Significance Influence/ Control
Enterprise where KMP has Significance Influence/ Control
Enterprise where KMP has Significance Influence/ Control
Enterprise where KMP has Significance Influence/ Control

Relatives of KMP

Mrs. A Shakunthala Devi
Mrs. Madhumathi Gaddam
Ms. Meena Devi Ande
Mrs. Achanta Annapurna
Mrs. Dundurapu Vandana Reddy
Mrs. Gaddam Tanmai Reddy
Mrs. Saritha Nomula
Mr. N. Chandrabhushan Reddy
Mrs. Anusuya Kishan Reddy
Mr. Nomula Eeshan Reddy
Mrs. Nomula Deepti Rajeshwar Reddy
Mr. Gaddam Raja Reddy
Mrs. Sunitha Gaddam
Mrs. Gaddam Laasya Reddy
Mrs. Gaddam Komali Reddy

Wife of Mr. Ande Prathap Reddy - Executive Chairman -
Wife of Mr. Gaddam Hemanth Reddy - Whole Time Director & CFO
Daughter of Mr. Ande Prathap Reddy - Executive Chairman
Daughter of Mr. Ande Prathap Reddy - Executive Chairman
Wife of Mr. Dundurapu Ram Reddy - Managing Director
Daughter of Mr. Dundurapu Ram Reddy - Managing Director
Wife of Mr. Nomula Rajeshwar Reddy - Whole Time Director
Brother of Mr. Nomula Rajeshwar Reddy - Whole Time Director
Sister of Mr. Nomula Rajeshwar Reddy - Whole Time Director
Son of Mr. Nomula Rajeshwar Reddy - Whole Time Director
Daughter of Mr. Nomula Rajeshwar Reddy - Whole Time Director
Father in Law of Mr. Nomula Rajeshwar Reddy - Whole Time Director
Sister of Mr. Gaddam Hemanth Reddy -Whole Time Director & CFO
Daughter of Mr. Gaddam Hemanth Reddy -Whole Time Director & CFO
Daughter of Mr. Gaddam Hemanth Reddy -Whole Time Director & CFO

(e) Transactions with related parties during the year

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|------------------------------|------------------------------|
| Balaji Speciality Chemicals Limited | | |
| Sale of goods | 15,017.43 | 9,323.41 |
| Purchase of goods and services | 1,192.76 | 2,026.18 |
| Services | 1.32 | - |
| Rental income | 7.10 | 0.60 |
| Unsecured loan given | - | 200.00 |
| Repayment of unsecured loan given | 6,600.00 | 1,334.77 |
| Interest received | 93.46 | 543.19 |
| Thirumala Precicasts Private Limited | | |
| Rental income | 3.00 | 3.18 |
| MVL Medisynth Private Limited | | |
| Sale of goods and services | 609.11 | 323.18 |
| Purchase of goods and services | 452.93 | 12.45 |
| SVS Sourcings Private Limited | | |
| Sale of goods and services | 5,874.74 | 5,217.67 |
| Sri Venkateshwara Cement Products | | |
| Sale of goods and services | 0.29 | - |
| Purchase of goods and services | 2.18 | - |
| Ande Prathap Reddy | | |
| Remuneration* | 55.90 | 54.25 |
| Commission on profit | 930.09 | 1,355.86 |



Notes Forming Part of Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--|------------------------------|------------------------------|
| Nomula Rajeshwar Reddy | | |
| Remuneration* | 47.68 | 46.03 |
| Commission on profit | 620.06 | 894.04 |
| Dundurapu Ram Reddy | | |
| Remuneration* | 47.68 | 46.03 |
| Commission on profit | 620.06 | 894.04 |
| Gaddam Hemanth Reddy | | |
| Remuneration* | 47.68 | 46.03 |
| Commission on profit | 310.03 | 424.00 |
| Ande Srinivas Reddy | | |
| Remuneration* | 42.74 | 41.10 |
| Commission on profit | 620.06 | 898.97 |
| Lakhan Dargad | | |
| Remuneration | 5.88 | 2.55 |
| Sitting fees | | |
| Naveena Chandra Thammishetty | 1.12 | 1.16 |
| Amarender Reddy Minupuri | 1.24 | 1.26 |
| Satyanarayana Murthy Chavali | 1.14 | 1.12 |
| Kashinath Revappa Dhole | 1.10 | 1.35 |
| Vimala Behram Madon | 1.04 | 1.08 |
| Dividend paid to KMP | 507.07 | 338.05 |
| Dividend paid to relatives of KMP | 275.17 | 183.54 |
| Dividend paid to Enterprise where KMP has significant influence/control | 286.48 | 190.99 |

*This does not include gratuity based on actuarial valuation as this is done for the company as a whole.

(f) Outstanding balances as at the year end where related party relationship existed

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Balaji Speciality Chemicals Limited | | |
| Trade receivable | - | 983.75 |
| Trade payable | 7.95 | - |
| Unsecured loan given | - | 6,600.00 |
| MVL Medisynth Private Limited | | |
| Trade receivable | 171.43 | 227.23 |
| Thirumala Precicasts Private Limited | | |
| Trade receivable | 0.45 | 0.29 |
| SVS Sourcings Private Limited | | |
| Trade receivable | 1,515.13 | 3,576.38 |
| Commission payable | | |
| Ande Prathap Reddy | 930.09 | 1,355.86 |
| Nomula Rajeshwar Reddy | 620.06 | 894.04 |
| Dundurapu Ram Reddy | 620.06 | 894.04 |
| Gaddam Hemanth Reddy | 310.03 | 424.00 |
| Ande Srinivas Reddy | 620.06 | 898.97 |

Notes Forming Part of Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

39. EMPLOYEE BENEFIT PLANS

(a) Leave obligations

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

(b) Defined contribution plans

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

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--|------------------------------|------------------------------|
| Company's contribution to provident fund | 216.04 | 198.78 |

(c) Defined benefit plan-Gratuity

The company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The company operates post retirement gratuity plan with LIC of India. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

| Particulars | Year ended March 31, 2023 |
|---|------------------------------|
| Change in defined benefit obligations: | |
| Obligation at the beginning of the year | 931.54 |
| Current service costs | 100.32 |
| Past service costs | 251.14 |
| Interest costs | 68.55 |
| Benefits paid | (35.13) |
| Obligation at the end of the year | 1,316.42 |
| Change in plan assets: | |
| Fair value of plan assets at the beginning of the year | 931.54 |
| Interest income | 86.25 |
| Remeasurement (gains)/losses | (16.36) |
| Employer's contributions | 471.93 |
| Benefits paid | (35.13) |
| Fair value of plan assets at the end of the period/year | 1,438.23 |
| Expenses recognised in the statement of profit and loss consists of: | |
| Employee benefits expense: | |
| Current service costs | 100.32 |
| Past service costs | 251.14 |
| Net interest expenses | (17.70) |
| | 333.76 |



Notes Forming Part of Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

| Particulars | Year ended March 31, 2023 |
|--|------------------------------|
| Other comprehensive income: | |
| (Return) on Plan Assets (Excluding Interest Income) | 16.36 |
| Total OCI | 16.36 |
| Expenses recognised in the statement of profit and loss | 350.12 |
| Amounts recognised in the balance sheet consist of | |
| Fair value of plan assets at the end of the year | 1,438.23 |
| Present value of obligation at the end of the year | 1,316.42 |
| Recognised as: | |
| Retirement benefit liability - Non-current | 126.43 |
| Retirement benefit liability - Current | 1,189.99 |

Fair value of plan assets --- 100% with LIC of India

Expected contribution to post-employment benefit plan of gratuity for the year ending March 31, 2024 is 125.00 lakhs.

Previous year's figures have not been given as the Company has obtained actuarial valuation for the first time for the year ended March 31, 2023.

(d) Significant estimates and sensitivity analysis

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

| Particulars | Key assumptions | Defined benefit obligation | | | |
|--------------------|--------------------|----------------------------|----------------|---------------------------|----------------|
| | | Increase in assumption by | | Decrease in assumption by | |
| | | Rate | March 31, 2023 | Rate | March 31, 2023 |
| Discount rate | 7.50% | 1% | (95.41) | 1% | 110.19 |
| Salary growth rate | 5.00% | 1% | 108.38 | 1% | (96.26) |
| Mortality Rate | 100.00% | 10% | 0.65 | 10% | (0.66) |
| Attrition rate | 4.00% | 1% | 20.25 | 1% | (22.91) |

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

(e) Risk exposure

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

Interest rate risk:

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

Salary inflation risk:

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

Demographic risk:

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

Notes Forming Part of Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

40. CAPITAL MANAGEMENT

(a) Capital management and gearing ratio

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

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

The Company funds its operations through internal accruals and aims at maintaining a strong capital base to support the future growth of its business.

(b) Particulars relating to short term borrowings

The company has obtained cash credit facilities under consortium banking from HFDC Bank Limited, State Bank of India and Bank of Baroda, which are secured by

- first pari-passu charge by way of hypothecation over the entire current assets of the Company (except Hotel division) and
- first pari-passu charge by the consortium on Land and Building and other movable fixed assets including Plant and machinery, both present and future of Unit I (Freehold) at Gat No. 194, 195, 196, 197 & 201, Tamalwadi, Osmanabad, Maharashtra and Unit III (Leasehold) at Plot No E-7 & E-8, MIDC, Chincholi, Solapur, Maharashtra.

These loans carry interest rate ranging from 7.80% p.a to 8.25% p.a.

As on 31st March, 2023, there is no outstanding amount under these facilities

(c) Dividends

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|------------------------------|------------------------------|
| (i) Equity shares | | |
| Final dividend for the year ended March 31, 2022 of ₹6/- per fully paid share | 1,944.06 | - |
| Final dividend for the year ended March 31, 2021 of ₹4/- per fully paid share | - | 1,296.04 |
| (ii) Dividends not recognised at the end of the reporting period | | |
| Directors have recommended the payment of final dividend of ₹10.00 (PY ₹6.00) per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting. | 3,240.10 | 1,944.06 |

41. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair values

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

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

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



Notes Forming Part of Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

(i) Categories of financial instruments

| Particulars | Level | As at March 31, 2023 | | As at Mar 31, 2022 | |
|------------------------------------|-------|----------------------|------------------|--------------------|------------------|
| | | Carrying amount | Fair value* | Carrying amount | Fair value* |
| Financial assets | | | | | |
| Measured at amortised cost: | | | | | |
| Non-current | | | | | |
| Investments | 3 | 6,600.00 | 6,600.00 | 6,600.00 | 6,600.00 |
| Loans | 3 | - | - | 6,600.00 | 6,600.00 |
| Other financial assets | 3 | 444.20 | 444.20 | 418.00 | 418.00 |
| Current | | | | | |
| Trade receivables | 3 | 26,028.89 | 26,028.89 | 43,613.20 | 43,613.20 |
| Cash and cash equivalents | 3 | 9,066.85 | 9,066.85 | 2,971.42 | 2,971.42 |
| Other bank balances | 3 | 7,045.06 | 7,045.06 | 1,841.05 | 1,841.05 |
| Other financial assets | 3 | 45.69 | 45.69 | - | - |
| Measured at FVTPL: | | | | | |
| Non-current | | | | | |
| Investments | 3 | 0.10 | 0.10 | 0.10 | 0.10 |
| Current | | | | | |
| Investments | 1 | 6,231.69 | 6,231.69 | - | - |
| Total | | 55,462.48 | 55,462.48 | 62,043.77 | 62,043.77 |
| Financial liabilities | | | | | |
| Measured at amortised cost: | | | | | |
| Non-current | | | | | |
| Other financial liabilities | 3 | 180.76 | 180.76 | 65.49 | 65.49 |
| Current | | | | | |
| Trade payables | 3 | 3,602.50 | 3,602.50 | 16,727.25 | 16,727.25 |
| Other financial liabilities | 3 | 4,630.18 | 4,630.18 | 6,168.09 | 237.73 |
| Total | | 8,413.45 | 8,413.45 | 22,960.83 | 17,030.47 |

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

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year. The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

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

Notes Forming Part of Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

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

(A) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk and price risk.

Financial instruments affected by market risk include loans and borrowings, trade receivables and trade payables involving foreign currency exposure. The sensitivity analyses in the following sections relate to the position as at March 31, 2023 and March 31, 2022. The analysis excludes the impact of movements in market variables on the carrying values of financial assets and liabilities. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2023 and March 31, 2022.

(i) Foreign currency exchange rate risk

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

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

(ii) Sensitivity

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

Foreign Currency Exposure

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|--|----------------------|-----------------|----------------------|-----------------|
| | EURO | USD | EURO | USD |
| Bank balances | - | - | - | - |
| Trade receivables | 1,056.64 | 3,105.55 | 2,569.77 | 4,479.38 |
| Trade payables | - | (9.68) | - | (5,454.06) |
| Net exposure to foreign currency risk | 1,056.64 | 3,095.87 | 2,569.77 | (974.68) |

| Particulars | Increase/(decrease) in profit before tax | | Increase/(decrease) in other components of equity | |
|----------------|--|----------------|---|----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Change in EURO | | | | |
| 1% increase | 10.57 | 25.70 | 7.91 | 19.23 |
| 1% decrease | (10.57) | (25.70) | (7.91) | (19.23) |
| Change in USD | | | | |
| 1% increase | 31.15 | 99.33 | 23.31 | 74.33 |
| 1% decrease | (31.15) | (99.33) | (23.31) | (74.33) |

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



Notes Forming Part of Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. As the Company has certain debt obligations with floating interest rates, exposure to the risk of changes in market interest rates are dependent of changes in market interest rates. Management monitors the movement in interest rate and, wherever possible, reacts to material movements in such rates by restructuring its financing arrangement.

As the Company has no significant interest bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

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

| Particulars | Increase/(decrease) in profit before tax | | Increase/(decrease) in other components of equity | |
|------------------------------|--|----------------|---|----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Change in interest rate | | | | |
| increase by 100 basis points | 0.42 | 36.66 | 0.31 | 27.43 |
| decrease by 100 basis points | (0.42) | (36.66) | (0.31) | (27.43) |

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

(B) Credit Risk

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

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

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

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

| Particulars | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| Gross carrying amount | 26,028.89 | 43,613.20 |
| Expected credit losses (Loss allowance provision) | - | - |
| Carrying amount of trade receivables | 26,028.89 | 43,613.20 |

(ii) Significant estimates and judgements

Impairment of financial assets:

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

Notes Forming Part of Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

(C) Liquidity risk

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

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

(i) Financing arrangements:

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

| Particulars | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| Expiring within one year (bank overdraft and other facilities) | 14,500.00 | 14,500.00 |

(ii) Maturities of financial liabilities

Contractual maturities of financial liabilities as at :

| Particulars | March 31, 2023 | | March 31, 2022 | |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|
| | Less than 12 months | More than 12 months | Less than 12 months | More than 12 months |
| Trade payables | 3,602.52 | - | 16,727.25 | - |
| Other financial liabilities | 4,630.18 | 180.76 | 6,168.09 | 65.49 |
| Total | 8,232.70 | 180.76 | 22,895.34 | 65.49 |

(iii) Management expects finance costs to be incurred for the year ending March 31, 2024 is ₹240 Lakhs

42. SEGMENT INFORMATION

(a) Description of segments and principal activities

The Company's Managing Director and Chief Financial Officer examine the Company's performance from a product perspective and have identified two reportable segments:

1. Chemicals - Manufacturing of speciality chemicals, aliphatic amines and derivatives
2. Hotel - Providing hotel, restaurant and hospitality services"

Segment revenue and expenses:

The Company has an established basis of allocating Joint/Corporate expenses to the segments, which is reasonable, and followed consistently. All other segment revenue and expenses are attributable to the segments. Certain Expenses/Income are not specifically allocable to specific segments and accordingly these expenses are disclosed as unallocated corporate expenses or income and adjusted only against the total income of the company. Segment result includes the respective other income.

Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowances and provisions that are reported as direct offsets in the balance sheet. While most assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. In such cases, the entire revenue and expenses of these assets including depreciation are also allocated to the same segments. Assets which are not allocable to the segments have been disclosed as 'unallocated corporate assets'. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. Segment assets and liabilities do not include deferred income taxes. The loans and other borrowings that are not specifically allocable to the various segments are disclosed as 'unallocated corporate liabilities'.

Inter segment transfers:

The Company adopts a policy of pricing inter-segment transfers at cost to the transferor segment.

Summary of segment information



Notes Forming Part of Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|----------------------------------|----------------------------------|
| A. Revenue | | |
| Segment Revenue | | |
| Chemicals | 1,70,720.74 | 1,91,988.50 |
| Hotel | 2,641.36 | 1,695.57 |
| Inter segment revenue | (16.06) | (15.02) |
| Total Revenue | 1,73,346.04 | 1,93,669.05 |
| B. Segment profit | | |
| Chemicals | 30,375.19 | 42,933.23 |
| Hotel | 556.12 | 111.49 |
| Segment operating profit | 30,931.30 | 43,044.72 |
| Reconciliation of segment operating profit to operating profit | | |
| Unallocated: | | |
| Unallocated corporate expenses | (378.56) | (263.61) |
| Unallocated corporate income | 257.91 | 236.99 |
| Operating profit | 30,810.65 | 43,018.10 |
| Finance costs | 273.34 | 704.08 |
| Profit before tax | 30,537.31 | 42,314.02 |
| Income tax expense | 7,783.09 | 11,519.93 |
| Profit after tax | 22,754.22 | 30,794.10 |
| Segment assets | | |
| Chemicals | 1,48,241.92 | 1,41,067.96 |
| Hotel | 6,108.33 | 6,440.04 |
| Unallocated corporate assets | 781.18 | 939.46 |
| Total assets | 1,55,131.43 | 1,48,447.46 |
| Segment liabilities | | |
| Chemicals | 8,826.72 | 23,296.86 |
| Hotel | 282.52 | 238.47 |
| Unallocated corporate liabilities | 5,989.60 | 5,673.35 |
| Total liabilities | 15,098.84 | 29,208.67 |
| Particulars | As at March, 31, 2023 | As at March, 31, 2022 |
| Geographical segment assets | | |
| India | | |
| Current | 73,428.42 | 63,202.20 |
| Non Current | 76,808.03 | 78,170.53 |
| Outside India | | |
| Current | 3,977.10 | 7,044.06 |
| Non Current | 917.88 | 30.67 |
| TOTAL | 1,55,131.43 | 1,48,447.46 |

Notes Forming Part of Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|-------------------------------------|------------------------------|------------------------------|
| Geographical segment revenue | | |
| India | 1,46,008.75 | 1,53,729.18 |
| Outside India | 26,094.53 | 37,383.54 |
| TOTAL | 1,72,103.28 | 1,91,112.72 |

(b) Information about products:

Revenue from external customers - Sale of Chemicals : ₹1,70,720.74 Lakhs

Revenue from external customers - Hotel: ₹2,625.30 Lakhs

(c) The company has not made external sales to a single customer meeting the criteria of 10% or more of the entity's revenue.

43. IND AS 115 - REVENUE FROM CONTRACTS WITH CUSTOMERS

(A) The Company is primarily in the Business of manufacture and sale of Speciality Chemicals and Hotel Industry. All product sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch or delivery. All service sales are made over a period of time and revenue is recognised based on percentage of completion method. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established, the Company does not give significant credit period resulting in no significant financing component.

(B) Reconciliation of revenue recognised from contract liability (Advance from customers):

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Opening contract liability | 245.33 | 238.72 |
| Less: Recognised as revenue during the year | (12,221.24) | (15,260.54) |
| Add: Addition to contract liability during the year | 12,228.02 | 15,267.15 |
| Closing contract liability | 252.11 | 245.33 |

(C) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Revenue from contract with customer as per contract price | 1,72,489.29 | 1,91,341.28 |
| Less: Sales Returns/credits/reversals | 386.01 | 228.56 |
| Revenue from contract with customer as per statement of profit and loss | 1,72,103.28 | 1,91,112.72 |

(D) Disaggregation of Revenue from contracts with customers

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|-------------|------------------------------|------------------------------|
| India | 1,46,008.75 | 1,53,729.18 |
| Argentina | 741.10 | 622.18 |
| Australia | 120.86 | 775.12 |
| Bangladesh | 51.18 | 90.19 |
| Belgium | 781.83 | 1,731.82 |
| Brazil | 211.89 | 988.86 |
| Canada | 46.61 | 141.41 |
| China | 115.45 | 1,081.35 |
| Costa Rica | 254.25 | 206.57 |
| Germany | 924.67 | 789.37 |
| Indonesia | 11.57 | 41.08 |



Notes Forming Part of Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|----------------|------------------------------|------------------------------|
| Ireland | 255.00 | 1,483.15 |
| Israel | 236.36 | 213.41 |
| Italy | 4,452.27 | 6,522.25 |
| Japan | 403.11 | 564.99 |
| Jordan | - | 12.07 |
| Korea | 438.43 | 522.98 |
| Malaysia | 47.85 | 33.99 |
| Mexico | 2,125.51 | 1,274.95 |
| Netherlands | 4,013.22 | 4,766.59 |
| Norway | 1,038.64 | 535.27 |
| Philippines | 779.54 | 373.59 |
| Saudi Arabia | 94.57 | 9.73 |
| Singapore | 427.82 | 556.89 |
| Slovenia | - | 7.42 |
| South Africa | 123.23 | 62.31 |
| Spain | 2,269.61 | 2,688.52 |
| Switzerland | - | 114.74 |
| Taiwan | 19.28 | 64.86 |
| Thailand | 9.87 | 2.47 |
| Turkey | 752.90 | 1,267.37 |
| UAE | 231.86 | 318.33 |
| United Kingdom | 697.48 | 1,437.36 |
| USA | 3,871.58 | 7,935.20 |
| Vietnam | 83.43 | 147.15 |
| France | 343.58 | - |
| Kuwait | 24.31 | - |
| Morocco | 64.25 | - |
| New Zealand | 17.71 | - |
| Poland | 13.71 | - |
| Total | 1,72,103.28 | 1,91,112.72 |

44. ADDITIONAL REGULATORY INFORMATION

a. Analytical Ratios

| S. No | Particulars | Numerator | Denominator | March 31, 2023 | March 31, 2022 | % Variance | Reasons for Variance |
|-------|--|---|--|----------------|----------------|------------|---|
| 1 | Current ratio (in times) | Total current assets | Total current liabilities | 8.77 | 2.97 | 195.62% | Decrease in Trade payables resulted in improvement in Current ratio. |
| 2 | Debt-equity ratio (in times) | Borrowings | Total equity | - | - | - | |
| 3 | Debt service coverage ratio (in times) | Earning for debt service = Net profit after taxes + Non-cash operating expenses + Interest + Other non cash adjustments | Debt services = Interest and lease payments + Principal repayments | 0.00 | 0.01 | (98.26)% | Due to decrease in earnings of the Company available for debt service on account of decrease in profit during the year. |

Notes Forming Part of Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

| S. No | Particulars | Numerator | Denominator | March 31, 2023 | March 31, 2022 | % Variance | Reasons for Variance |
|-------|---|---|---------------------------|----------------|----------------|------------|---|
| 4 | Return on equity (in %) | Net profit after tax | Average total equity | 17.55 | 29.47 | (40.44)% | Due to decrease in profits of the Company. |
| 5 | Inventory turnover ratio (in times) | Net sales | Average inventory | 7.35 | 12.87 | (42.89)% | Due to decrease in sales of the Company and vice-versa increase in holding of inventory |
| 6 | Trade receivables turnover ratio (in times) | Net sales | Average trade receivables | 4.96 | 5.42 | (8.56)% | - |
| 7 | Trade payables turnover ratio (in times) | Total purchases | Average trade payables | 13.81 | 11.53 | 19.77% | - |
| 8 | Net capital turnover ratio | Sales | Working capital | 2.52 | 4.13 | (38.98)% | Due to decrease in sales of the Company and increase in holding of inventory |
| 9 | Net profit ratio (in %) | Net profit after tax | Sales | 13.18 | 16.03 | (17.79)% | - |
| 10 | Return on capital employed (in %) | Earnings before interest and taxes (EBIT) | Capital employed | 21.11 | 34.55 | (38.89)% | Due to decrease in Earnings before interest and taxes (EBIT) |
| 11 | Return on Investment (in %) | Realised and unrealised gain on investments | Average Investments | 02.39 | 00.05 | 2.39% | - |

b. Registration or satisfaction of charges with Registrar of Companies (RoC)

As on March 31, 2023, there are no charges pending creation or satisfaction.

However, in the past the Company had availed working capital and term loan facilities from consortium bankers for which charges were created with the Registrar of Companies, Pune. As on March 31, 2023, there are no dues towards the term loan secured by the below mentioned charge. The Company has approached the consortium bankers to ensure filing of modification of the said charge with the RoC.

(₹ in Lakhs)

| S. No | Charge ID | Charge created in favour of | Amount |
|-------|-----------|---|-----------|
| 1 | 90086643 | Bank of Baroda, HDFC Bank Limited and State Bank of India | 35,924.00 |

c. Borrowings on the basis of security of current assets

The Company has borrowings from banks on the basis of security of current assets. The quarterly statements of current assets filed by the Company with banks are in agreement with the books of accounts.



Notes Forming Part of Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

d. Title deeds of immovable properties not held in the name of the Company

The title deeds of immovable properties not held in the name of the Company are as follows

| S. No | Relevant line item in the Balance Sheet | Description of item of property | Gross carrying value | Whether title deed holder is a promoter, director or relative* of promoter*/director or employee of promoter / director | Property held since which date | Reason for not being held in the name of the company |
|-------|---|---|----------------------|---|--------------------------------|---|
| 1 | Land | Freehold land at Industrial Development Area, Bollaram, Sangareddy District Telangana | 4.34 | No | Since FY 2017-18 | Application for transfer of title pending with SRO. The land is not in dispute. |
| 2 | Investment Property - Land | Freehold land at Gollagudem – Nandikandi, Sadashivpet, Sangareddy District Telangana | 163.31 | No | Since FY 2017-18 | Application for transfer of title pending with SRO. The land is not in dispute. |

45. IMPACT OF COVID 19 PANDEMIC

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

46. NOTE ON "CODE ON SOCIAL SECURITY, 2020"

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

47. The figures of previous year have been regrouped/reclassified wherever necessary to conform to current year's presentation.

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

As per our report of even date

For **M. Anandam & Co.,**
Chartered Accountants
Firm Regn No: 0001255

Sd/-
M V Ranganath
Partner
Membership No.028031
Place : Hyderabad
Date : May 20, 2023

For and on behalf of Board of Directors

Sd/-
A Prathap Reddy
Executive Chairman
DIN 00003967
Place : Hyderabad
Date : May 20, 2023

Sd/-
A Srinivas Reddy
Whole Time Director & CFO
DIN 03169721
Place : Hyderabad
Date : May 20, 2023

Sd/-
Lakhan Dargad
Company Secretary
M No : A52571
Place : Solapur
Date : May 20, 2023

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 consolidated financial statements of **Balaji Amines Limited** (hereinafter referred to as "the Holding Company") and its subsidiary Balaji Speciality Chemicals Limited (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of the 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 ("the Act"), 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, 2023, of its consolidated profit (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements 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, 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 the Institute of Chartered Accountants of India ("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 judgement, were of most significance in our audit of the consolidated 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr. No. | Key Audit Matter | Auditor's Response |
|---------|---|---|
| 1. | <p>Revenue Recognition</p> <p>Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognised when the Group performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition is when the control over goods is transferred to the customers, which is mainly upon delivery.</p> <p>The timing of revenue recognition is relevant to the reported performance of the Group. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before the control over goods is transferred.</p> <p>Refer Note 1.3A to the consolidated financial statements – Significant Accounting Policies.</p> | <p>Principal Audit Procedures</p> <p>Our audit approach was a combination of tests of internal controls and substantive procedures including:</p> <ul style="list-style-type: none"> Assessing the appropriateness of Group's revenue recognition in line with Ind AS 115 – Revenue from Contracts with Customers. Evaluating the design and implementation of Group's controls in respect of revenue recognition. Testing the effectiveness of such controls over revenue cut off at the year end. Testing the supporting documentation for sales transactions recorded during the period closer to the year-end and subsequent to the year-end, including examination of credit notes issued after the year end to determine whether revenue was recognised in the correct period. |



INFORMATION OTHER THAN FINANCIAL STATEMENTS (OTHER INFORMATION)

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements, standalone 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.

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

If, based on the work we have performed, we conclude we conclude that 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 Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group 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 are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 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 consolidated 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 are responsible for assessing the ability of the respective 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 respective management either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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 judgement and maintain professional skepticism 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 Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls with reference to financial statements 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 Group'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 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 report. However, future events or conditions may cause the Group 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 to express an opinion on the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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 MATTER

The comparative financial information of the Group for the year ended 31st March, 2022 is based on the previously issued consolidated

financial statements which were audited by the predecessor auditor who expressed unqualified opinion vide report dated 11th May, 2022.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. 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 relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company and the subsidiary company as on 31st March, 2023 taken on record by the Board of Directors of respective company, none of the directors of the Holding Company and subsidiary company is disqualified as on 31st March, 2023 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 with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company and the subsidiary company to its respective directors during the year is in accordance with the provision of section 197 of the Act.
- (h) 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 Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements (Refer Note No. 37a of the consolidated financial statements).
- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary company.
- iv.(a) The respective Managements of the Holding Company and its subsidiary company have represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or its subsidiary company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The respective Managements of the Holding Company and its subsidiary company have represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or its subsidiary company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether

recorded in writing or otherwise, that the Holding Company or its subsidiary company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend. The subsidiary company has not declared or paid any dividend during the year.
- As stated in Note 40c of the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members of the Holding Company at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable to the Holding Company and subsidiary company only w.e.f. April 1, 2023, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. As required by the Companies (Auditor's Report) Order, 2020, ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraph 3(xxi) of the Order.

For **M. Anandam & Co.,**
Chartered accountants
(Firm Registration No.0001255)

Sd/-
M V Ranganath
Partner

Membership No.028031
UDIN: 23028031BGWJ01773

Place: Hyderabad
Date: May 20, 2023

Annexure - A

To the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to Consolidated Financial Statements Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the consolidated financial statements of Balaji Amines Limited ("the Holding Company") and its subsidiary company as of 31 March 2023 in conjunction with our audit of the consolidated financial statements of the Holding Company and its subsidiary company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective management of the companies included in the group are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 ('ICAI'). 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 the Holding 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 Holding Company's internal financial controls with reference to these consolidated financial statements 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") 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 with reference to these consolidated financial statements were 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 with

reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to these consolidated financial statements included obtaining an understanding of internal financial controls with reference to these consolidated financial statements, 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 consolidated 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 Group's internal financial controls with reference to these consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control with reference to these consolidated financial statements 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 with reference to these consolidated financial statements 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.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THESE CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to these consolidated financial statements, 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 with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to these consolidated financial statements 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 Holding Company and the subsidiary

company have, in all material respects, an adequate internal financial controls with reference to these consolidated financial statements and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control with reference to these consolidated financial statements criteria established by the Holding 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 **M. Anandam & Co.,**
Chartered accountants
(Firm Registration No.0001255)

Sd/-

M V Ranganath

Partner

Membership No.028031
UDIN: 23028031BGWJJO1773

Place: Hyderabad

Date: May 20, 2023

Annexure - B

To the Independent Auditor's Report

With reference to Paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of the Company, we report that:

In terms of the information and explanations sought by us and given by the Holding Company and its subsidiary company, the books of

account and records examined by us in the normal course of audit and to the best of our knowledge and belief we state that there are no qualifications or adverse remarks in the report on Companies (Auditors Report) Order, 2020 of the companies included in the consolidated financial statements.

For **M. Anandam & Co.,**
Chartered accountants
(Firm Registration No.0001255)

Sd/-

M V Ranganath

Partner

Membership No.028031
UDIN: 23028031BGWJJO1773

Place: Hyderabad

Date: May 20, 2023

Consolidated Balance Sheet

as at March 31, 2023

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

| Particulars | Note | As at March 31, 2023 | As at March 31, 2022 |
|---|------|----------------------|----------------------|
| I. ASSETS | | | |
| Non-current assets | | | |
| (a) Property, plant and equipment | 2.1 | 77,528.25 | 67,614.83 |
| (b) Capital work-in-progress | 2.2 | 11,322.94 | 14,093.58 |
| (c) Investment property | 3 | 522.04 | 501.82 |
| (d) Financial assets | | | |
| (i) Investments | 4 | 0.10 | 0.10 |
| (ii) Other financial assets | 5 | 615.15 | 608.30 |
| (e) Other non-current assets | 6 | 3,009.23 | 998.07 |
| | | 92,997.71 | 83,816.70 |
| Current Assets | | | |
| (a) Inventories | 7 | 30,281.39 | 22,235.83 |
| (b) Financial assets | | | |
| (i) Investments | 8 | 7,265.34 | - |
| (ii) Trade receivables | 9 | 37,780.37 | 58,814.59 |
| (iii) Cash and cash equivalents | 10 | 14,776.28 | 3,312.64 |
| (iv) Bank balances other than (iii) above | 11 | 8,856.76 | 1,843.27 |
| (v) Other financial assets | 12 | 49.98 | 4.29 |
| (c) Other current assets | 13 | 4,272.93 | 4,498.74 |
| | | 1,03,283.05 | 90,709.36 |
| | | 1,96,280.76 | 1,74,526.06 |
| TOTAL ASSETS | | | |
| II. EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity share capital | 14 | 648.02 | 648.02 |
| (b) Other equity | 15 | 1,54,775.42 | 1,24,336.81 |
| Attributable to the owners of the Parent | | 1,55,423.44 | 1,24,984.82 |
| Non-controlling interests | | 14,392.52 | 6,501.31 |
| | | 1,69,815.95 | 1,31,486.14 |
| Liabilities | | | |
| Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 16 | 3,030.25 | 5,757.43 |
| (ii) Other financial liabilities | 17 | 100.14 | 92.95 |
| (b) Provisions | 18 | 182.45 | 65.49 |
| (c) Deferred tax liabilities (net) | 19 | 8,121.16 | 6,774.90 |
| (d) Other non current liabilities | 20 | 97.04 | 276.13 |
| | | 11,531.04 | 12,966.90 |
| Current Liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 21 | 2,727.18 | 4,306.30 |
| (ii) Trade payables | 22 | | |
| a) Total outstanding dues of micro enterprises and small enterprises | | 1,474.46 | 1,792.59 |
| b) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 4,749.80 | 16,295.56 |
| (iii) Other financial liabilities | 23 | 4,801.73 | 6,304.74 |
| (b) Other current liabilities | 24 | 583.70 | 828.47 |
| (c) Provisions | 25 | 31.82 | - |
| (d) Current tax liabilities (net) | 26 | 565.07 | 545.37 |
| | | 14,933.77 | 30,073.03 |
| | | 1,96,280.76 | 1,74,526.06 |
| TOTAL EQUITY AND LIABILITIES | | | |
| Significant accounting policies and other information | 1 | | |

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

As per our report of even date

For **M. Anandam & Co.,**

Chartered Accountants

Firm Regn No: 000125S

Sd/-

M V Ranganath

Partner

Membership No.028031

Place : Hyderabad

Date : May 20, 2023

For and on behalf of Board of Directors

Sd/-

A Prathap Reddy

Executive Chairman

DIN 00003967

Place : Hyderabad

Date : May 20, 2023

Sd/-

A Srinivas Reddy

Whole Time Director & CFO

DIN 03169721

Place : Hyderabad

Date : May 20, 2023

Sd/-

Lakhan Dargad

Company Secretary

M No : A52571

Place : Solapur

Date : May 20, 2023



Consolidated Statement of Profit & Loss

for the year ended March 31, 2023

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

| Particulars | Note | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--|------|------------------------------|------------------------------|
| I. Income | | | |
| Revenue from operations | 27 | 2,35,539.56 | 2,32,288.36 |
| Other income | 28 | 1,524.64 | 1,471.85 |
| Total income | | 2,37,064.20 | 2,33,760.21 |
| II. Expenses | | | |
| Cost of materials consumed | 29 | 1,26,119.93 | 1,27,641.00 |
| Changes in inventories of work-in-progress and finished goods | 30 | (1,541.08) | (5,388.41) |
| Employee benefits expense | 31 | 8,513.23 | 9,663.56 |
| Finance costs | 32 | 1,197.17 | 1,710.03 |
| Depreciation | 33 | 4,557.34 | 4,199.86 |
| Other expenses | 34 | 41,536.09 | 38,105.35 |
| Total expenses | | 1,80,382.68 | 1,75,931.39 |
| III. Profit before tax (I-II) | | 56,681.52 | 57,828.82 |
| IV. Tax expense: | 35 | | |
| (1) Current tax | | 14,703.31 | 13,837.75 |
| (2) Earlier years' tax | | 40.50 | 150.47 |
| (3) Deferred tax | | 1,369.41 | 2,050.53 |
| Total tax expense | | 16,113.22 | 16,038.75 |
| V. Profit for the year (III- IV) | | 40,568.30 | 41,790.07 |
| Attributable to: | | | |
| (a) Shareholders of the Company | | 32,552.00 | 36,841.88 |
| (b) Non-controlling interests | | 8,016.30 | 4,948.19 |
| VI. Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| a) Re-measurement of defined benefit plans | | (25.48) | - |
| b) Income tax relating to item (a) above | | 2.66 | - |
| Other comprehensive income (net of tax) | | (22.82) | - |
| VII. Total comprehensive income for the year | | 40,545.48 | 41,790.07 |
| Attributable to: | | | |
| (a) Shareholders of the Company | | 32,532.09 | 36,841.88 |
| (b) Non-controlling interests | | 8,013.39 | 4,948.19 |
| VIII. Earnings per equity share (Face value of ₹2/- each) | | | |
| (1) Basic (in ₹) | 36 | 100.47 | 113.71 |
| (2) Diluted (in ₹) | | 100.47 | 113.71 |
| Significant accounting policies and other information | 1 | | |

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

As per our report of even date

For **M. Anandam & Co.,**

Chartered Accountants

Firm Regn No: 0001255

For and on behalf of Board of Directors

Sd/-

M V Ranganath

Partner

Membership No.028031

Place : Hyderabad

Date : May 20, 2023

Sd/-

A Prathap Reddy

Executive Chairman

DIN 00003967

Place : Hyderabad

Date : May 20, 2023

Sd/-

A Srinivas Reddy

Whole Time Director & CFO

DIN 03169721

Place : Hyderabad

Date : May 20, 2023

Sd/-

Lakhan Dargad

Company Secretary

M No : A52571

Place : Solapur

Date : May 20, 2023

Consolidated Statement of Cash Flow

for the year ended March 31, 2023

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--|------------------------------|------------------------------|
| Cash flow from operating activities: | | |
| Net profit before tax | 56,681.52 | 57,828.85 |
| Adjustments for: | | |
| Depreciation | 4,557.34 | 4,199.86 |
| Liabilities no longer required written back | (109.38) | (112.99) |
| Finance costs | 1,197.17 | 1,710.03 |
| Profit on sale of property, plant and equipment | 0.53 | (10.73) |
| Fair value gain on investments designated at FVTPL (Net) | (245.99) | - |
| Profit on redemption of mutual funds designated at FVTPL | (19.42) | (3.36) |
| Property, plant and equipment written off | 286.29 | - |
| Provision for doubtful debts | 13.02 | 8.13 |
| Interest income | (389.11) | (55.87) |
| Operating cash flow before working capital changes | 61,971.97 | 63,563.92 |
| Changes in operating assets and liabilities | | |
| (Increase) / decrease in inventories | (8,045.56) | (11,242.03) |
| (Increase)/ decrease in trade receivables | 21,034.21 | (28,248.76) |
| (Increase) / decrease in financial assets other than trade receivables | (7,326.32) | (1,628.39) |
| (Increase) / decrease in other current assets | 225.81 | 2,164.23 |
| (Increase) / decrease in other non current assets | (1,346.93) | 116.07 |
| Increase/ (decrease) in trade payables | (11,754.50) | 8,754.68 |
| Increase / (decrease) in other financial liabilities | (1,491.52) | 6,026.12 |
| Increase / (decrease) in provisions | 91.50 | (3,944.51) |
| Increase / (decrease) in other current liabilities | (244.73) | 467.05 |
| Increase / (decrease) in other non current liabilities | (179.09) | 179.28 |
| Increase / (decrease) in other non current financial liabilities | 7.19 | (194.37) |
| (Increase) / decrease in current tax assets | - | 7,521.45 |
| Increase / (decrease) in current tax liabilities | (501.58) | (8,513.96) |
| Cash generated from operations | 52,440.49 | 35,020.77 |
| Direct taxes paid (net) | (14,222.53) | (13,063.88) |
| Net cash flow from/(used in) operating activities | 38,217.96 | 21,956.89 |



Consolidated Statement of Cash Flow (Contd.)

for the year ended March 31, 2023

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|------------------------------|------------------------------|
| Cash flow from investing activities | | |
| Purchase of property, plant and equipment including (Increase)/decrease in capital work-in-progress | (12,022.41) | (14,818.27) |
| Proceeds from sale of property, plant and equipment | 15.25 | 38.07 |
| Purchase of investments designated at FVTPL | (9,499.93) | (1,799.91) |
| Sale of investments designated at FVTPL | 2,500.00 | 1,803.27 |
| Interest received | 376.03 | 51.20 |
| Net cash flow from/ (used in) investing activities | (18,631.07) | (14,725.64) |
| Cash flow from financing activities | | |
| Repayment of non-current borrowings | (2,727.18) | (3,127.47) |
| Proceeds/ (repayment) from current borrowings (net) | (1,579.12) | 484.60 |
| Dividend paid | (1,944.06) | (1,296.04) |
| Expenses in relation to IPO of subsidiary | (664.23) | - |
| Interest paid | (1,208.66) | (1,712.41) |
| Net cash flow from/ (used in) financing activities | (8,123.25) | (5,651.32) |
| Net increase/(decrease) in cash and cash equivalents | 11,463.64 | 1,579.93 |
| Cash and Cash equivalents at the beginning of the year | 3,312.64 | 1,732.23 |
| Cash and Cash equivalents at the end of the year (Refer note 10 of financial statements) | 14,776.28 | 3,312.64 |

Notes : The above Cash flow statement has been prepared under the indirect method as set out in the Indian Accounting Standard (Ind AS) 7 - "Statement of Cash Flows".

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

As per our report of even date
For **M. Anandam & Co.,**
Chartered Accountants
Firm Regn No: 0001255

Sd/-
M V Ranganath
Partner
Membership No.028031
Place : Hyderabad
Date : May 20, 2023

For and on behalf of Board of Directors

Sd/-
A Prathap Reddy
Executive Chairman
DIN 00003967
Place : Hyderabad
Date : May 20, 2023

Sd/-
A Srinivas Reddy
Whole Time Director & CFO
DIN 03169721
Place : Hyderabad
Date : May 20, 2023

Sd/-
Lakhan Dargad
Company Secretary
M No : A52571
Place : Solapur
Date : May 20, 2023

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

I) EQUITY SHARE CAPITAL

| Particulars | Amount |
|---|---------------|
| Balance as at April 1, 2022 | 648.02 |
| Add: Changes in equity share capital due to prior period errors | - |
| Changes in equity share capital during the year | - |
| Balance as at March 31, 2023 | 648.02 |
| Balance as at April 1, 2021 | 648.02 |
| Add: Changes in equity share capital due to prior period errors | - |
| Changes in equity share capital during the year | - |
| Balance as at March 31, 2022 | 648.02 |

II) OTHER EQUITY

| Particulars | Reserves and Surplus | | | | | Total |
|---|----------------------|-----------------|---------------|--------------------|-----------------|--------------------|
| | Securities Premium | Capital Reserve | State Subsidy | Retained Earnings | General Reserve | |
| Balance as at April 1, 2022 | 569.61 | 6.21 | 297.90 | 1,16,808.46 | 6,654.62 | 1,24,336.80 |
| Changes in retained earnings due to prior period errors | - | - | - | (149.39) | - | (149.39) |
| Profit for the year | - | - | - | 32,551.98 | - | 32,551.98 |
| Other comprehensive income/(loss) | - | - | - | (19.91) | - | (19.91) |
| Transfer to Capital reserve | - | 297.90 | (297.90) | - | - | - |
| Transfer to General reserve | - | - | - | (2,275.42) | 2,275.42 | - |
| Dividends paid | - | - | - | (1,944.06) | - | (1,944.06) |
| Balance as at March 31, 2023 | 569.61 | 304.11 | - | 1,44,971.66 | 8,930.04 | 1,54,775.42 |
| Balance as at April 1, 2021 | 569.61 | 6.21 | 297.90 | 78,183.92 | 9,733.32 | 88,790.96 |
| Profit for the year | - | - | - | 36,841.88 | - | 36,841.88 |
| Transfer to General reserve | - | - | - | 3,078.70 | (3,078.70) | - |
| Dividends paid | - | - | - | (1,296.04) | - | (1,296.04) |
| Balance as at March 31, 2022 | 569.61 | 6.21 | 297.90 | 1,16,808.46 | 6,654.62 | 1,24,336.81 |

Note : Refer note no. 15 for description of the nature and purpose of each reserve within other equity.

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

As per our report of even date
For **M. Anandam & Co.,**
Chartered Accountants
Firm Regn No: 0001255

For and on behalf of Board of Directors

Sd/-
M V Ranganath
Partner
Membership No.028031
Place : Hyderabad
Date : May 20, 2023

Sd/-
A Prathap Reddy
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Sd/-
Lakhan Dargad
Company Secretary
M No : A52571
Place : Solapur
Date : May 20, 2023



Notes Forming Part of Consolidated Financial Statements

for the year ended march 31, 2023

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

1 SIGNIFICANT ACCOUNTING POLICIES & OTHER INFORMATION

1.1 Corporate Information

Balaji Amines Limited (BAL/'the Company' or 'the Holding Company') is a Public Limited company incorporated in India under the provisions of the Companies Act 2013. The Company together with its subsidiary is collectively referred to as "the Group". The Company's registered office is located at Balaji Towers, No.9/1A/1, Hotgi Road, Aasara Chowk, Solapur, Maharashtra - 413224. The equity shares of BAL are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), in India. The Group is engaged in manufacturing of speciality chemicals, aliphatics amines and derivatives. The Holding Company also owns a Five Star Hotel in Solapur, Maharashtra.

1.2 Basis of preparation and measurement

(i) Statement of compliance & Basis of preparation

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

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

The consolidated financial statements were approved for issue by the Board of Directors on 20th May, 2023.

(ii) Functional and presentation currency

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

(iii) Basis of measurement

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

- **Certain financial assets and liabilities:** Measured at fair value

- **Net defined benefit (asset)/ liability:** Fair value of plan assets less present value of defined benefit obligations
- **Borrowings :** Amortised cost using effective interest rate method

(iv) Use of estimates and judgments

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

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

The areas involving significant judgements and estimates are estimation of useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment and intangible assets, provision for employee benefits and other provisions, contingent liabilities and recoverability of deferred tax assets."

Assumptions and estimation uncertainties

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

- Determining an asset's expected useful life and the expected residual value at the end of its life;
- Impairment of financial assets;
- Measurement of defined benefit obligations: key actuarial assumptions;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Recognition of tax expense including deferred tax

Measurement of fair values

Group accounting policies and disclosures require measurement of fair value for both financial and non-financial assets..

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

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

Further information about the assumptions made in measuring fair values is included Note 41 - Financial instruments

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

(vii) Principles and basis of consolidation

The Consolidated Financial Statements (CFS) include the financial statements of the Company and its subsidiary

a. Subsidiaries

Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns.
- (iii) The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company, i.e. year ended on March 31.



Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

b. Consolidation procedures:

- a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Holding Company with that of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.
- b. Offset (eliminate) the carrying amount of the Holding Company's investment in the subsidiary and the Holding Company's portion of equity of the subsidiary. Business combinations policy explains how to account for any related goodwill.
- c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and property, plant and equipment and intangible assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profit and losses resulting from intragroup transactions.
- d. The excess of the Group's investment in a subsidiary over its share in the net worth of such subsidiary on the date control is acquired is treated as goodwill while a deficit is considered as a capital reserve in the consolidated financial statements.

c. Non-controlling interests (NCI)

NCI is measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. The Group presents the non-controlling interests in the Balance Sheet within equity, separately from the equity of the Group as owners.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

d. Loss of control/Disposal

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the assets (including goodwill) and non-controlling interests of the subsidiary, recognises the fair value of consideration received and investment retained and recognises surplus or deficit in the Statement of Profit and Loss. If also reclassifies the Holding Company's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

On disposal of the subsidiary, attributable amount on goodwill is included in the determination of the profit or loss and recognised in the Statement of Profit and Loss. Impairment loss, if any, to the extent the carrying amount exceeds the recoverable amount is charged off to the Statement of Profit and Loss as it arises and is not reversed.

e. Impairment testing

For impairment testing, goodwill is allocated to Cash Generating Unit (CGU) or a group of CGUs to which it relates, which is not larger than an operating segment, and is monitored for internal management purposes.

f. Subsidiary considered in the consolidated financial statements:

Balaji Speciality Chemicals Limited, incorporated in India, where the Holding company has 55% (P.Y. 55%) ownership has been considered for the purpose of consolidated financial statements

(vi) Current and non-current classification:

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

Assets

An asset is classified as a current when:

- it is expected to be realized in, or is intended for sale or consumption in, the Group's normal operating cycle;

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

- it is expected to be realized within twelve months from the reporting date;
- it is held primarily for the purposes of being traded; or
- is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non current

Liabilities

A liability is classified as a current when:

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

Operating Cycle

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

1.3 Summary of significant accounting policies

A Revenue recognition

(i) Revenue from Amines Division Revenue from contract with customers

Revenue is recognised when the performance obligations have been satisfied, which is once control of the goods is transferred to the customer. Revenue related to the sale of goods is recognised when the product is delivered to the destination specified by the customer, and the customer has gained control through their ability to direct the use of and obtain substantially all the benefits from the asset. Revenue is measured based on consideration specified in the contract with a customer which is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates and excludes amounts collected on behalf of third parties.

(ii) Revenue from Hotel Division

Rooms, Food and Beverage and Banquets:

Revenue is recognised at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and banquet services which is recognised once the rooms are occupied, food and beverages are sold and banquet services have been provided as per the contract with the customer. Advance, if any, received against room bookings are treated as a liability pending finalization of bill /provision of services.

Space and shop rentals: Rentals basically consists of rental revenue earned from letting of spaces for retails and office at the properties. These contracts for rentals are generally of short-term in nature. Revenue is recognised in the period in which services are being rendered.

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

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

Rental income from investment properties is recognised on a straight line basis over the term of the relevant leases.

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

Export benefit entitlements are recognized in the statement of profit and loss, when right to receive such entitlement is established as per terms of the relevant scheme in respect of exports made and where there is no significant uncertainty regarding compliance with the terms and conditions of such scheme. Pending export obligation is recognised and disclosed as non-current liability in the Balance Sheet and transferred to the Statement of Profit and Loss upon satisfaction of obligation and where there is no significant uncertainty regarding compliance with the terms and conditions of such scheme.

B Property, plant and equipment (PPE)

Property, plant and equipment acquired by the Group are carried at acquisition cost less accumulated depreciation and accumulated impairment losses, if any. The acquisition



Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred. An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from its use. Difference between the sales proceeds and the carrying amount of the asset is recognized in the statement of profit and loss.

The catalyst is an asset that facilitates the process that increases the future economic benefits and output efficiency expected from the plant.

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 lease.

C Capital work-in-progress

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

D Research and Development

Revenue expenditure on research is charged to Statement of profit and loss in the year in which it is incurred. Development Expenditure incurred on development of new processes or products which are expected to generate future economic benefits, are treated as Intangible Assets and are amortized in accordance with estimated useful life. Other development expenses are charged to the Statement of profit and loss in the year in which they are incurred.

E Investment Property

Investment property are the properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

are measured at cost model which is in accordance with Ind AS 40.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no further economic benefits expected from disposal. Any gain or loss arising on derecognition of the property is included in profit or loss in the period in which the property is derecognised.

Depreciation on building is provided over its useful life of 30 years using the Straight Line Method.

F Depreciation and Amortisation

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 Group 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 written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Catalyst is depreciated over the useful life estimated by Management.

G Government grants and subsidies

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

H Leases

As a Lessee:

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

- (1) The Contract involves the use of an identified asset;
- (2) The Group has substantially all the economic benefits from use of the asset through the period of the lease and

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(3) The Group has the right to direct the use of the asset."

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

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

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

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

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

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

As a Lessor:

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

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

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

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

I 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.

Defined benefit plan - Gratuity obligation

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

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

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

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



Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

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

Defined benefit plan - Other long-term employee benefit obligations

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

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

Defined contribution plans

Contributions to post employment benefit plans in the form of provident funds, employee state insurance scheme and pension scheme as per regulations are charged as an expense on accrual basis when employees have rendered the service. The Group has no further payment obligations once the contributions have been paid."

J Tax expenses

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

Tax expense for the year comprises current and deferred tax.

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

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

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

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

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

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

K Inventories

Raw materials, packing materials, stores and spares, and other consumables are valued at cost or net realizable value, whichever is lower. Cost comprises of basic cost (net of GST, if any) and other costs incurred in bringing them to their respective present location and condition. Cost is determined on a First-in-First Out basis.

Work-in-Progress and finished goods are valued at cost or net realizable value, whichever is lower. Cost includes all direct costs and a proportion of other fixed manufacturing overheads based on normal operating capacity. Cost is determined on a Weighted Average basis.

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

Food & Beverages:

Groceries and beverages are valued at cost which is determined on weighted average basis.

L Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of not more than three months, which are subject to an insignificant risk of changes in value.

M Borrowing Costs

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds.

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

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."

N Foreign Currency Transactions

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

O Impairment of Assets

(i). Impairment of financial instruments

The Group assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial

assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

(ii) Impairment of non-financial assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

P Earnings Per Share

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

Q Financial instruments

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



Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

(i) Initial measurement and recognition

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

(ii) Classification and subsequent measurement Financial assets

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

(iii) Subsequent measurement

For the purpose of subsequent measurement, financial assets are categorised as under:

- amortised cost;
- Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
- Fair Value Through Profit or Loss (FVTPL)

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

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

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

Financial Liabilities:

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

Derecognition - Financial assets

A Financial asset is primarily derecognised when the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

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

Derecognition - Financial liabilities

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

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

Financial Instruments Offsetting

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

R Provisions, Contingent liabilities and Contingent assets

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

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

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

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

S Standards issued but not effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 – Presentation of Financial Statements -This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the consolidated financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors -This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 12 – Income Taxes-This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.



Notes Forming Part of Consolidated Financial Statements

for the year ended march 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

2.1(a). PROPERTY, PLANT AND EQUIPMENT

| Particulars | Gross carrying amount | | | Accumulated depreciation | | | Net carrying amount |
|------------------------------|-----------------------|------------------|-----------------|--------------------------|-----------------|-----------------|----------------------|
| | As at April 1, 2022 | Additions | Deletions | As at April 1, 2022 | For the year | On disposals | As at March 31, 2023 |
| Freehold land | 3,740.44 | 642.83 | - | 54.87 | 43.44 | - | 4,284.96 |
| Leasehold land | 1,863.97 | 122.09 | - | 34.70 | 19.43 | - | 1,931.94 |
| Leasehold land improvements | 56.09 | - | - | 9.65 | 3.56 | - | 42.88 |
| Buildings | 17,284.22 | 1,770.91 | - | 3,255.85 | 467.55 | - | 15,331.74 |
| Plant and equipment | 67,231.88 | 11,599.82 | 1,309.66 | 21,860.79 | 3,663.18 | 1,012.67 | 53,010.73 |
| Plant and equipment - others | 2,615.79 | 461.42 | - | 718.64 | 118.70 | - | 2,239.88 |
| Furniture and fixtures | 2,492.09 | 146.80 | 1.50 | 2,070.78 | 146.08 | - | 420.54 |
| Office equipment | 86.56 | 5.15 | - | 65.11 | 4.00 | - | 22.60 |
| Computers | 133.49 | 8.54 | - | 113.17 | 7.38 | - | 21.48 |
| Vehicles | 676.24 | - | 46.87 | 382.38 | 64.74 | 39.26 | 221.51 |
| TOTAL | 96,180.78 | 14,757.57 | 1,358.03 | 28,565.94 | 4,538.05 | 1,051.92 | 77,528.25 |

2.1(b). PROPERTY, PLANT AND EQUIPMENT

| Particulars | Gross carrying amount | | | Accumulated depreciation | | | Net carrying amount |
|------------------------------|-----------------------|------------------|--------------|--------------------------|-----------------|--------------|----------------------|
| | As at April 1, 2021 | Additions | Deletions | As at April 1, 2021 | For the year | On disposals | As at March 31, 2022 |
| Freehold land | 1,379.86 | 2,360.58 | - | 23.46 | 31.42 | - | 3,685.57 |
| Leasehold land | 1,863.97 | - | - | 15.92 | 18.78 | - | 1,829.27 |
| Leasehold land improvements | 54.89 | 1.20 | - | 6.17 | 3.48 | - | 46.44 |
| Buildings | 14,344.06 | 2,940.16 | - | 2,831.16 | 424.69 | - | 14,028.37 |
| Plant and equipment | 55,526.88 | 11,726.49 | 21.49 | 18,610.09 | 3,263.30 | 12.60 | 45,371.08 |
| Plant and equipment - others | - | - | - | - | - | - | - |
| Furniture and fixtures | 2,320.36 | 147.05 | - | 1,799.76 | 250.13 | - | 417.52 |
| Office equipment | 100.73 | 10.51 | - | 77.67 | 8.34 | - | 25.23 |
| Computers | 121.32 | 12.17 | - | 106.30 | 6.87 | - | 20.32 |
| Vehicles | 575.51 | 166.09 | 65.35 | 369.21 | 60.07 | 46.91 | 293.87 |
| Others | 1,927.78 | 688.01 | - | 604.68 | 113.95 | - | 1,897.16 |
| TOTAL | 78,215.35 | 18,052.27 | 86.85 | 24,444.42 | 4,181.03 | 59.50 | 67,614.83 |

Notes Forming Part of Consolidated Financial Statements

for the year ended march 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

2.2 CAPITAL WORK-IN-PROGRESS

| Particular | As at March 31, 2023 | | | | As at March 31, 2022 | |
|----------------------|----------------------|-----------------|------------------|----------------------|----------------------|----------------------|
| | As at April 1, 2022 | Additions | Deletions | As at March 31, 2023 | As at April 1, 2021 | As at March 31, 2022 |
| Projects in Progress | 14,093.58 | 9,725.45 | 12,496.08 | 11,322.94 | 17,327.57 | 14,093.58 |
| TOTAL | 14,093.58 | 9,725.45 | 12,496.08 | 11,322.94 | 17,327.57 | 14,093.58 |

2.2(a). CAPITAL WORK-IN-PROGRESS AGEING SCHEDULE

| Particulars | As at March 31, 2023 | | | | | | As at March 31, 2022 | |
|----------------------|--------------------------------|---------------|-----------|-------------------|------------------|--|--------------------------------|------------------|
| | Amount in CWIP for a period of | | | | | | Amount in CWIP for a period of | |
| | Less than 1 Year | 1-2 Years | 2-3 Years | More Than 3 Years | Total | | Less than 1 Year | Total |
| Projects in progress | 10,835.29 | 487.66 | - | - | 11,322.94 | | 12,293.19 | 14,093.58 |
| TOTAL | 10,835.29 | 487.66 | - | - | 11,322.94 | | 12,293.19 | 14,093.58 |

3.a INVESTMENT PROPERTY

| Particulars | Gross carrying amount | | Accumulated depreciation | | Net carrying amount | |
|--------------|-----------------------|----------------------|--------------------------|----------------------|---------------------|----------------------|
| | As at April 1, 2022 | As at March 31, 2023 | As at April 1, 2022 | As at March 31, 2023 | As at April 1, 2022 | As at March 31, 2023 |
| Land | 163.31 | 163.31 | - | - | 163.31 | 163.31 |
| Building | 577.48 | 616.98 | 238.96 | 258.25 | 338.52 | 358.73 |
| Total | 740.78 | 780.29 | 238.96 | 258.25 | 501.82 | 522.04 |

3.b INVESTMENT PROPERTY

| Particulars | Gross carrying amount | | Accumulated depreciation | | Net carrying amount | |
|--------------|-----------------------|----------------------|--------------------------|----------------------|---------------------|----------------------|
| | As at April 1, 2021 | As at March 31, 2022 | As at April 1, 2021 | As at March 31, 2022 | As at April 1, 2021 | As at March 31, 2022 |
| Land | 163.31 | 163.31 | - | - | 163.31 | 163.31 |
| Building | 577.48 | 577.48 | 220.13 | 238.96 | 357.35 | 338.52 |
| Total | 740.78 | 740.78 | 220.13 | 238.96 | 520.65 | 501.82 |

Disclosure under Ind AS 40

| Particulars | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| Rental Income from Investment Property | 140.71 | 126.88 |
| Less: Direct operating expenses (Repair, maintenance and insurance) | 2.14 | 3.32 |
| Income/(Loss) from Investment property (net) | 138.57 | 123.56 |

The fair value of the Investment property is ₹7,017 Lakhs as at March 31, 2023.



Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

4. INVESTMENTS

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Investments at fair value through profit or loss (FVTPL) | | |
| Unquoted - Fully paid up | | |
| Investments in others | | |
| National Savings Certificate | 0.10 | 0.10 |
| Total | 0.10 | 0.10 |
| Aggregate amount of quoted investments | - | - |
| Aggregate amount of unquoted investments | 0.10 | 0.10 |
| Aggregate amount of impairment value of the unquoted investments | - | - |

5. OTHER FINANCIAL ASSETS (NON-CURRENT)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------|----------------------|
| Margin money deposits against bank guarantee | 81.60 | 80.21 |
| Security deposits with government companies and others | 533.55 | 528.09 |
| Total | 615.15 | 608.30 |

6. OTHER ASSETS (NON-CURRENT)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|------------------------------|----------------------|----------------------|
| Prepaid Expenses | 48.90 | - |
| Capital Advances | 2,360.85 | 466.64 |
| Taxes paid under protest | 378.93 | 302.87 |
| Income Tax Refund Receivable | 220.56 | 228.57 |
| Total | 3,009.23 | 998.07 |

7. INVENTORIES

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------|----------------------|
| (Valued at lower of cost and net realisable value) | | |
| Raw materials (includes materials in transit of ₹1376.67 lakhs; P.Y. ₹3885.54 lakhs) | 16,533.34 | 10,534.16 |
| Work-in-progress | 1,823.65 | 2,584.42 |
| Finished goods (including stock in transit ₹899.88 lakhs; P.Y. Nil) | 9,350.40 | 6,820.91 |
| Stores and spares | 1,228.48 | 887.90 |
| Packing materials | 368.84 | 363.12 |
| Consumables | 47.04 | 30.69 |
| Fuel and others | 831.14 | 937.62 |
| Housekeeping and kitchen stewarding | 56.84 | 54.21 |
| Food & beverages | 41.66 | 22.80 |
| Total | 30,281.39 | 22,235.83 |

7.1 For inventories secured against borrowings, refer note 16 and 40(b) to the consolidated financial statements.

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

8. INVESTMENTS

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|----------------------|----------------------|
| Investments in Mutual Fund | | |
| Unquoted - Fully paid up | | |
| Sundaram Liquid Fund (Regular Plan Growth -LFPG) | 6,231.69 | - |
| (3,16,031.582 (P.Y Nil) units at NAV of ₹1971.8572/- each) | | |
| SBI Liquid Fund Direct Growth | 1,033.65 | - |
| (29337.395 Units (P.Y. Nil) at NAV of ₹3,523.30 per unit) | | |
| Total | 7,265.34 | - |
| Aggregate amount of quoted investments | - | - |
| Aggregate amount of unquoted investments | 7,265.34 | - |
| Aggregate amount of impairment in the value of investments | - | - |

9. TRADE RECEIVABLES

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------------|----------------------|----------------------|
| Unsecured, considered good* | 37,780.37 | 58,814.59 |
| Less: Expected credit loss | - | - |
| Total Trade receivables | 37,780.37 | 58,814.59 |

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

9.1.1 For Trade receivables secured against borrowings, refer note 16 and 40(b) to the consolidated financial statements.

9.1.2 For Group's exposure to the market risk and credit risk, refer note no.41 to the consolidated financial statements.

9.1.3 Trade receivables are non-interest bearing and generally on credit term of 7 to 120 days.

Trade Receivables ageing schedule

As at March 31, 2023

| Particulars | Not Due | 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 | 32,704.90 | 5,070.76 | 2.08 | 0.20 | 0.44 | - | 37,778.38 |
| (ii) Undisputed Trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade receivables – credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade receivables– considered good | - | - | - | - | 1.99 | - | 1.99 |
| (v) Disputed Trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade receivables – credit impaired | - | - | - | - | - | - | - |
| (vii) Expected credit loss rate [#] | - | - | - | - | - | - | - |
| (viii) Expected credit loss | - | - | - | - | - | - | - |
| Total | 32,704.90 | 5,070.76 | 2.08 | 0.20 | 2.43 | - | 37,780.37 |

[#]The Group has not accounted for expected losses as it has no defaults in payments from the customers in the earlier years..



Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

As at March 31, 2022

| Particulars | Not Due | 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 | 50,890.46 | 7,921.04 | 0.08 | 0.09 | 0.01 | 0.01 | 58,811.68 |
| (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 increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade receivables – credit impaired | - | - | - | - | - | - | - |
| (vii) Expected credit loss rate [#] | - | - | - | - | - | - | - |
| (viii) Expected credit loss | - | - | - | - | - | - | - |
| Total | 50,890.46 | 7,921.04 | 0.08 | 3.00 | 0.01 | 0.01 | 58,814.59 |

[#]The Group has not accounted for expected losses as it has no defaults in payments from the customers in the earlier years.

10. CASH AND CASH EQUIVALENTS

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|----------------------|----------------------|
| a) Balances with banks | | |
| - in current accounts | 961.89 | 302.42 |
| - debit balance in cash credit accounts | 2,537.51 | 3,007.94 |
| - in deposit accounts | 11,275.87 | - |
| b) Cash on hand | 1.01 | 2.28 |
| Total | 14,776.28 | 3,312.64 |

11. OTHER BANK BALANCES

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------------------|----------------------|----------------------|
| Balances with banks | | |
| Fixed deposits with bank | 8,809.70 | 1,841.05 |
| Earmarked balances with banks | | |
| Margin money deposit accounts | 47.06 | 2.22 |
| Total | 8,856.76 | 1,843.27 |

12. OTHER FINANCIAL ASSETS (CURRENT)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|----------------------|----------------------|
| Interest accrued and due on deposits and others | 17.32 | 4.29 |
| Other receivables | 32.66 | - |
| Total | 49.98 | 4.29 |

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

13. OTHER CURRENT ASSETS

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------------------|-------------------------|-------------------------|
| Prepaid expenses | 607.54 | 230.51 |
| Advances to suppliers | 956.67 | 2,653.53 |
| Employee advances | 6.97 | 10.49 |
| GST input and refund receivable | 1,555.97 | 1,547.32 |
| Export benefits receivable | 72.96 | 25.18 |
| Incentive receivable from government | 408.59 | - |
| Advances for Expenses | - | - |
| Others* | 695.95 | 31.72 |
| Less : Provision | (31.72) | - |
| Total | 4,272.93 | 4,498.74 |

*Others includes:

- Amounts recoverable from employees - The Holding Company had an arrangement for supply of coal in specified consignments on a periodic basis. Few consignments aggregating to ₹31.71 lakhs were misappropriated, while in transit, by 2 employees of the Holding Company during the year ended March 31, 2015. The services of the said employees were terminated in that year itself and legal action against initiated on these employees including action for the recovery of the above-mentioned amounts. Pending recovery, the amounts have been fully provided for.
- Amount spent towards Initial Public Offer (IPO) of the subsidiary company pending as at the end of the year

14. EQUITY SHARE CAPITAL

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| AUTHORIZED | | |
| 22,75,00,000 (P.Y. 22,75,00,000) equity shares of ₹2/- each | 9,050.00 | 9,050.00 |
| Total | 9,050.00 | 9,050.00 |
| ISSUED, SUBSCRIBED & PAID-UP CAPITAL | | |
| 3,24,01,000 (P.Y. 3,24,01,000) equity shares of ₹2/- each, fully paid up | 648.02 | 648.02 |
| Total | 648.02 | 648.02 |

(A) Movement in equity share capital:

| Particulars | No of Shares | Amount |
|----------------------------------|--------------------|---------------|
| Balance at April 1, 2021 | 3,24,01,000 | 648.02 |
| Movement during the year | - | - |
| Balance at March 31, 2022 | 3,24,01,000 | 648.02 |
| Movement during the year | - | - |
| Balance at March 31, 2023 | 3,24,01,000 | 648.02 |

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

| Name of the shareholder | As at March 31, 2023 | | As at March 31, 2022 | |
|----------------------------------|----------------------|-----------|----------------------|-----------|
| | No. of Shares | % holding | No. of Shares | % holding |
| Ande Prathap Reddy | 49,69,709 | 15.34 | 49,69,709 | 15.34 |
| APR Holdings and Investments LLP | 47,74,720 | 14.74 | 47,74,720 | 14.74 |
| Ande Shakunthala Devi | 19,63,049 | 6.06 | 19,63,049 | 6.06 |
| Ande Srinivas Reddy | 16,94,097 | 5.23 | 16,94,097 | 5.23 |



Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

(C) Terms/Rights attached to equity shares

The Holding Company has only one class of equity shares having a face value of ₹2/- each (P.Y ₹2/- each). Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Holding Company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(D) (i) Shareholding of promoters as at March 31, 2023

| Name of the promoter | No. of shares | % of total shares | % of change during the year |
|------------------------|---------------------|-------------------|-----------------------------|
| Ande Prathap Reddy | 49,69,709 | 15.34 | 0 |
| Dundurapu Ram Reddy | 4,74,855 | 1.47 | 0.01 |
| Rajeshwar Reddy Nomula | 5,94,993 | 1.84 | 0 |
| Hemanth Reddy Gaddam | 7,18,803 | 2.22 | 0 |
| Ande Srinivas Reddy | 16,94,097 | 5.23 | 0 |
| Total | 84,52,457.00 | 26.10 | 0.01 |

(ii) Shareholding of promoters at the end of March 31, 2022

| Name of the promoter | No. of shares | % of total shares | % of change during the year |
|------------------------|------------------|-------------------|-----------------------------|
| Ande Prathap Reddy | 49,69,229 | 15.34 | 0.00 |
| Dundurapu Ram Reddy | 4,74,655 | 1.46 | 0.00 |
| Rajeshwar Reddy Nomula | 5,94,895 | 1.84 | 0.00 |
| Hemanth Reddy Gaddam | 7,18,803 | 2.22 | 0.00 |
| Ande Srinivas Reddy | 16,93,647 | 5.23 | 0.00 |
| Total | 84,51,229 | 26.09 | 0.00 |

15. OTHER EQUITY

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------------|----------------------|----------------------|
| Reserves and surplus | | |
| Securities premium | 569.61 | 569.61 |
| Capital Reserve | 304.11 | 6.21 |
| State Subsidy | - | 297.90 |
| Retained earnings | 1,38,814.26 | 1,10,651.06 |
| General Reserve | 15,087.44 | 12,812.02 |
| Total | 1,54,775.42 | 1,24,336.81 |

Securities premium

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------|----------------------|----------------------|
| Opening balance | 569.61 | 569.61 |
| Additions during the year | - | - |
| Closing balance | 569.61 | 569.61 |

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

Capital Reserve

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------|-------------------------|-------------------------|
| Opening balance | 6.21 | 6.21 |
| Additions during the year | 297.90 | - |
| Closing balance | 304.11 | 6.21 |

State Subsidy

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Opening balance | 297.90 | 297.90 |
| Additions during the year | - | - |
| Deductions/adjustments during the year | (297.90) | - |
| Closing balance | - | 297.90 |

Retained earnings

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Opening balance | 1,10,651.06 | 78,183.92 |
| Add/Add/(Less): Changes in retained earnings due to Prior period errors* | (149.39) | - |
| Add: Profit for the year | 32,551.98 | 36,841.88 |
| Add: Other comprehensive income - Remeasurement of defined benefit plans (net of tax) | (19.91) | - |
| Less : Transfer to General Reserve | (2,275.42) | (3,078.70) |
| Less : Dividend paid | (1,944.06) | (1,296.04) |
| Closing balance | 1,38,814.26 | 1,10,651.06 |

*During the year, the subsidiary company has made certain Ind AS adjustments to rectify the prior period errors related to Ind AS 115 - Revenue from Contracts with Customers and Ind AS 19 - Employee Benefits. The effect of these adjustments is given to the opening retained earnings since the amount involved is not material as per Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

General Reserve

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------|-------------------------|-------------------------|
| Opening balance | 12,812.02 | 9,733.32 |
| Additions during the year | 2,275.42 | 3,078.70 |
| Closing balance | 15,087.44 | 12,812.02 |

Nature and purpose of other reserves

(i) Securities premium

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

(ii) Capital reserve

Capital reserve includes transfer of forfeited shares amount and state subsidy. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

(iii) Retained earnings

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



Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

(iv) General Reserve

This reserve is used to record the transfers made from the retained earnings and was made on account of the requirements of the Companies Act, 1956 for payment of dividends. General reserve is used for strengthening the financial position and meeting future contingencies and losses.

16. BORROWINGS

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------|----------------------|----------------------|
| Non- current | | |
| a) Secured loans | | |
| Term loans from banks | 3,030.25 | 5,757.43 |
| Total | 3,030.25 | 5,757.43 |

i) Term loans from banks:

The subsidiary company has availed term loans from HDFC Bank Limited and Bank of Baroda.

The loan from Bank of Baroda is repayable in 66 equal monthly installments starting from May, 2019.

Term loan 1 from HDFC Bank Limited is repayable in 66 equal monthly installments starting from May, 2019 and Term loan 2 from HDFC Bank Limited is repayable in 66 equal monthly installments starting from Dec, 2020."

ii) Security:

The term loans from HDFC Bank Ltd and Bank of Baroda are secured by first charge on factory land and building located at E-8/1, MIDC, Chincholi, Solapur, Maharashtra and second pari passu charge on entire current assets of the subsidiary company present and future.

iii) Repayment schedule with rate of interest:

| Financial Year | HDFC Bank Ltd | HDFC Bank Ltd | Bank of Baroda | Total |
|----------------|-----------------|-----------------|-----------------|-----------------|
| | ROI 8.50% p.a. | ROI 8.50% p.a. | ROI 8.50% p.a. | |
| 2023-2024 | 909.09 | 909.09 | 909.00 | 2,727.18 |
| 2024-2025 | 530.30 | 909.09 | 530.25 | 1,969.64 |
| 2025-2026 | - | 909.09 | - | 909.09 |
| 2026-2027 | - | 151.52 | - | 151.52 |
| Total | 1,439.39 | 2,878.79 | 1,439.25 | 5,757.43 |

iv) For the Group's exposure to the interest rate risk and liquidity risk, refer note 41 to the consolidated financial statements.

17. OTHER NON-CURRENT FINANCIAL LIABILITIES

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-----------------|----------------------|----------------------|
| Rental deposits | 100.14 | 92.95 |
| Total | 100.14 | 92.95 |

18. PROVISIONS (NON-CURRENT)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------|----------------------|
| Provision for employee benefits | | |
| Leave encashment | 103.95 | - |
| Others | 78.51 | 65.49 |
| Total | 182.45 | 65.49 |

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

Movement in Other provisions

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Opening balance | 65.49 | 57.36 |
| Add : Provision created during the year | 13.02 | 8.13 |
| Closing balance | 78.51 | 65.49 |

19. DEFERRED TAX LIABILITIES (NET)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| (i) Deferred tax liabilities on timing difference due to: | | |
| Depreciation and amortisation expenses | 8,094.98 | 7,426.61 |
| Expenses allowable on payment basis | 26.18 | - |
| (ii) Deferred tax assets on account of: | | |
| Carry forward losses under Income Tax Act | - | 6.34 |
| Unused tax credits | - | 645.37 |
| Deferred tax liabilities (net) (i) -(ii) | 8,121.16 | 6,774.90 |

Movement in deferred tax liabilities (net)

| Particulars | WDV of Property, Plant and Equipment | Expenses allowable on payment basis | Business loss & Unabsorbed depreciation carry forward | Provision for employee benefits | Unused tax credits | Total |
|---|--|---|--|--|--------------------------|-----------------|
| As at April 1, 2022 | 7,426.61 | (6.34) | - | - | (645.38) | 6,774.90 |
| Deferred tax impact on restatement adjustments | - | - | - | - | (20.49) | (20.49) |
| (Charged)/Credited | | | | | | |
| to Statement of profit and loss | 668.37 | 35.18 | - | - | 665.87 | 1,369.42 |
| to Other comprehensive income | - | (2.66) | - | - | - | (2.66) |
| As at March 31, 2023 | 8,094.98 | 26.18 | - | - | - | 8,121.16 |

| Particulars | WDV of Property, Plant and Equipment | Expenses allowable on payment basis | Business loss & Unabsorbed depreciation carry forward | Provision for employee benefits | Unused tax credits | Total |
|---|--|---|--|--|--------------------------|-----------------|
| As at April 1, 2022 | 6,832.19 | - | (2,107.75) | - | (0.08) | 4,724.37 |
| Deferred tax impact on restatement adjustments | | | | | | |
| (Charged)/Credited | | | | | | |
| to Statement of profit and loss | 594.42 | (6.34) | 2107.75 | - | (645.30) | 2,050.53 |
| to Other comprehensive income | - | - | - | - | - | - |
| As at March 31, 2023 | 7,426.61 | (6.34) | - | - | (645.38) | 6,774.90 |



Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

20. OTHER NON CURRENT LIABILITIES

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|----------------------------------|-------------------------|-------------------------|
| Deferred revenue export benefits | 97.04 | 276.13 |
| Total | 97.04 | 276.13 |

Note: The Holding Company has imported capital equipment under Export Promotion Capital Goods Scheme (EPCG) under the Foreign Trade Policy 2015-2020. This balance represents the duty saved on import under EPCG scheme against which the Company has to fulfill export obligations as per the terms of the scheme.

21. BORROWINGS

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Secured | | |
| Repayable on demand | | |
| Working capital loans from banks | - | 1,579.12 |
| Current maturities of long-term debt | | |
| From banks (Refer note 16) | 2,727.18 | 2,727.18 |
| Total | 2,727.18 | 4,306.30 |

22. TRADE PAYABLES

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Dues to micro enterprises and small enterprises | 1,474.46 | 1,792.59 |
| Dues to creditors other than micro enterprises and small enterprises* | 4,749.80 | 16,295.56 |
| Total | 6,224.26 | 18,088.15 |

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

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

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| (a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of the year; - Principal - Interest | 1,474.46 - - | 1,792.59 - - |
| (b) the amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year/period; | - | - |
| (c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this MSMED Act; | - | - |
| (d) the amount of interest accrued and remaining unpaid at the end of the each accounting year/period; and | - | - |
| (e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act. | - | - |

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

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

Trade payables aging schedule as at March 31, 2023

| Particulars | Outstanding for following periods from due date of payment | | | | | Unbilled | Total |
|-----------------------------|--|------------------|-------------|-------------|-------------------|---------------|-----------------|
| | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | | |
| (i) MSME | 1,474.46 | - | - | - | - | - | 1,474.46 |
| (ii) Others | 3,119.35 | 1,256.34 | 8.77 | 4.81 | 37.49 | 323.04 | 4,749.80 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - | - |
| (v) Unbilled dues | - | - | - | - | - | - | - |
| Total | 4,593.81 | 1,256.34 | 8.77 | 4.81 | 37.49 | 323.04 | 6,224.26 |

Trade payables aging schedule as at March 31, 2022

| Particulars | Outstanding for following periods from due date of payment | | | | | Unbilled | Total |
|-----------------------------|--|------------------|--------------|--------------|-------------------|---------------|------------------|
| | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | | |
| (i) MSME | 1,792.59 | - | - | - | - | - | 1,792.59 |
| (ii) Others | 11,179.75 | 4,597.63 | 24.01 | 23.99 | 33.38 | 436.79 | 16,295.56 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - | - |
| Total | 12,972.35 | 4,597.63 | 24.01 | 23.99 | 33.38 | 436.79 | 18,088.15 |

23. OTHER CURRENT FINANCIAL LIABILITIES

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|------------------------------|----------------------|----------------------|
| Interest accrued but not due | 21.31 | 32.80 |
| Employee benefits payable | 3,523.21 | 4,688.42 |
| Other recoveries payable | 53.88 | 30.70 |
| Security deposits | 203.05 | 40.75 |
| Creditors for capital goods | 1,000.27 | 1,512.07 |
| Total | 4,801.73 | 6,304.74 |

24. OTHER CURRENT LIABILITIES

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------|----------------------|
| Advances from customers | 253.94 | 245.36 |
| Statutory liabilities | 321.42 | 583.12 |
| Export obligation under advance authorisation scheme | 8.34 | - |
| Total | 583.70 | 828.47 |

Note: The Holding Company has imported goods under Advance Authorisation Scheme. This balance represents the duty saved on imports under this scheme against which the Company has to fulfill export obligations as per the terms of the scheme.

25. PROVISIONS (CURRENT)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------|----------------------|
| Provision for employee benefits | | |
| Leave encashment | 31.82 | - |
| Total | 31.82 | 0.00 |



Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

26. CURRENT TAX LIABILITIES (NET)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Provision for tax (net of advance tax) | 565.07 | 545.37 |
| Total | 565.07 | 545.37 |

27. REVENUE FROM OPERATIONS

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--|------------------------------|------------------------------|
| Sale of products | | |
| Sale of Aliphatic amines, speciality chemicals and derivatives of amines | 2,31,181.84 | 2,29,006.43 |
| Sale of services | | |
| Rooms, restaurants, banquets and other services | 2,575.25 | 1,605.31 |
| Other operating revenues | | |
| Scrap sales | 139.66 | 124.57 |
| Incentive from government | 455.71 | 258.62 |
| Export incentives | 1,187.09 | 1,293.45 |
| Total Revenue from operations | 2,35,539.56 | 2,32,288.36 |

28. OTHER INCOME

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|------------------------------|------------------------------|
| Interest income on bank deposits and others at amortised cost | 389.11 | 55.87 |
| Liabilities no longer required written back | 109.38 | 112.99 |
| Profit on redemption of Mutual funds designated at FVTPL | 19.42 | 3.36 |
| Fair value gain on investments designated at FVTPL (Net) | 245.99 | - |
| Profit on Sale of Property, plant and equipment (net) | - | 10.73 |
| Foreign exchange gain (net) | 498.46 | 1,074.04 |
| Rental income | 195.91 | 171.61 |
| Interest on deposit from subsidiary company carried at amortised cost | - | - |
| Insurance claims received | 61.65 | - |
| Sales tax refund and interest thereon | - | 5.43 |
| Miscellaneous income | 4.73 | 37.82 |
| Total | 1,524.64 | 1,471.85 |

29. COST OF MATERIALS CONSUMED

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---------------------|------------------------------|------------------------------|
| Opening Stock | 6,503.28 | 4,299.26 |
| Add: Purchases | 1,34,798.17 | 1,29,845.03 |
| Less: Closing Stock | 15,181.52 | 6,503.28 |
| Total | 1,26,119.93 | 1,27,641.00 |

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

30. CHANGES IN INVENTORIES OF WORK-IN-PROGRESS AND FINISHED GOODS

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|------------------------------|------------------------------|
| Opening inventories | | |
| Finished goods | 6,820.91 | 3,771.43 |
| Add: Adjustments on account of Ind AS 115 - Revenue from contracts with customers | 227.63 | - |
| Work-in-progress | 2,584.42 | 245.50 |
| (A) | 9,632.96 | 4,016.93 |
| Closing inventories | | |
| Finished goods | 9,350.40 | 6,820.91 |
| Work-in-progress | 1,823.65 | 2,584.42 |
| (B) | 11,174.05 | 9,405.33 |
| Total (A-B) | (1,541.08) | (5,388.41) |

31. EMPLOYEE BENEFITS EXPENSE

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|------------------------------|------------------------------|
| Salaries, wages and bonus | 7,715.52 | 8,202.29 |
| Contribution to provident and other funds | 707.59 | 870.56 |
| Staff welfare expenses | 90.11 | 590.70 |
| Total | 8,513.23 | 9,663.56 |

32. FINANCE COSTS

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|------------------------------|------------------------------|
| Interest on borrowings | 777.44 | 1,180.22 |
| Interest on shortfall in payment of advance tax | 49.04 | - |
| Other borrowing costs | 370.69 | 529.80 |
| Total | 1,197.17 | 1,710.03 |

33. DEPRECIATION

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|------------------------------|------------------------------|
| Depreciation on property, plant and equipment | 4,534.66 | 4,052.15 |
| Depreciation on investment property | 22.68 | 147.71 |
| Total | 4,557.34 | 4,199.86 |

34. OTHER EXPENSES

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|----------------------------------|------------------------------|------------------------------|
| Consumption of stores and spares | 1,544.00 | 1,714.79 |
| Consumption of packing material | 4,157.06 | 4,480.55 |
| Power and fuel | 23,756.93 | 20,991.79 |
| Freight charges | 5,766.26 | 6,128.07 |
| Effluent treatment expenses | 411.96 | 352.45 |
| Travelling and conveyance | 215.37 | 162.52 |



Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|------------------------------|------------------------------|
| Repairs and Maintenance | | |
| Buildings | 110.32 | 167.76 |
| Plant & machinery | 1,236.91 | 1,065.87 |
| Others | 64.79 | 54.98 |
| Printing and stationery | 42.53 | 40.85 |
| Communication expenses | 23.98 | 25.38 |
| Legal and professional charges | 109.23 | 195.78 |
| Insurance | 520.78 | 279.94 |
| Auditors' remuneration | 70.68 | 45.70 |
| Directors sitting fees | 7.34 | 6.47 |
| Rates and taxes | 128.81 | 56.75 |
| Commission and discount | 979.05 | 930.34 |
| Sales promotion and other selling expenses | 468.62 | 432.57 |
| Advertisement expenses | 10.53 | 7.09 |
| Computer maintenance | 17.30 | 10.89 |
| Operator's management & incentive fees | 155.52 | 94.54 |
| Registrations and Renewals | 131.34 | 146.43 |
| Expenditure on Corporate Social Responsibility | 692.94 | 425.02 |
| Expenditure on Corporate Environmental Responsibility | 216.07 | - |
| Research & development expenses | 121.62 | 56.04 |
| Spa operating expenses | 41.88 | 36.14 |
| Water testing charges | 1.70 | 0.81 |
| Banquet expenses | 9.76 | 4.63 |
| Provision for doubtful debts | 13.02 | 8.13 |
| Property, plant and equipment written off | 286.29 | - |
| Miscellaneous expenses | 223.52 | 150.45 |
| Total | 41,536.09 | 38,105.35 |

35. RECONCILIATION OF TAX EXPENSES AND THE ACCOUNTING PROFIT MULTIPLIED BY TAX RATE

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--|------------------------------|------------------------------|
| (a) Amount recognised in statement of profit and loss | | |
| Current tax | 14,703.31 | 13,837.75 |
| Earlier years' tax | 40.50 | 150.47 |
| Deferred tax | 1,369.41 | 2,050.53 |
| Total tax expense | 16,113.22 | 16,038.75 |
| (b) Amount recognised in other comprehensive income | | |
| Deferred tax related to items recognised in OCI | | |
| Deferred tax expense/(income) on remeasurements of defined benefit obligations | - | - |
| Income-tax expense/(income) recognised in OCI | - | - |

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--|------------------------------|------------------------------|
| (c) Reconciliation of effective tax rate: | | |
| Profit before tax | 56,681.00 | 57,828.82 |
| Enacted tax rate in India - Holding Company | 25.17% | 25.17% |
| Enacted tax rate in India - Subsidiary Company | 29.12% | 29.12% |
| Tax expense at enacted rates | 15,299.28 | 13,361.18 |
| Tax neutral adjustments | (595.97) | 476.56 |
| Tax as per the financial statements | 14,703.31 | 13,837.75 |
| Effect of deferred tax | 1,369.41 | 2,050.53 |
| Effect of earlier years' tax | 40.50 | 150.47 |
| Income-tax recognised in the statement of profit and loss | 16,113.22 | 16,038.75 |

36. EARNINGS PER SHARE:

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--|------------------------------|------------------------------|
| Net Profit for the year as per statement of profit & loss | 32,552.00 | 36,841.88 |
| Number of shares outstanding at the end of the year | 3,24,01,000 | 3,24,01,000.00 |
| Weighted average number of equity shares outstanding during the year | 3,24,01,000 | 3,24,01,000.00 |
| Basic and Diluted earnings per share (₹) | 100.47 | 113.71 |
| Face value per share (₹) | 2.00 | 2.00 |

37. CONTINGENT LIABILITIES AND COMMITMENTS

(a) Contingent liabilities

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Claims against the Group not acknowledged as debts | | |
| Income tax | 615.19 | 297.09 |
| Total | 615.19 | 297.09 |

(b) Capital and other commitments

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for | 7,220.24 | 1,136.85 |
| Total | 7,220.24 | 1,136.85 |

38. RELATED PARTY DISCLOSURES

Name of the related party

Key management personnel (KMP)

Mr. Ande Prathap Reddy
 Mr. Dundurapu Ram Reddy
 Mr. Nomula Rajeshwar Reddy
 Mr. Ande Srinivas Reddy
 Mr. Gaddam Hemanth Reddy
 Mr PardeepSingh RameshSingh Watwani

Description of the relationship

Executive Chairman
 Managing Director
 Joint Managing Director
 Whole Time Director & CFO (from 20th May, 2023)
 Whole Time Director & CFO (upto 20th May, 2023)
 CFO, Subsidiary Company (from 18th April, 2022)



Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

Name of the related party

Holding Company

Mr. Naveena Chandra Thammishetty
Mr. Amarender Reddy Minupuri
Mr. Satyanarayana Murthy Chavali
Mr. Kashinath Revappa Dhole
Mr. Vimala Behram Madon
Dr. Suhasini Yatin Shah
Dr. Uma Rajiv Pradhan
Mr. Mohan Kumar Ramakrishna
Mr. Adabala Sheshagiri Rao

Subsidiary Company

Mr Kashinath Revappa Dhole
Mr Rajendrakumar Mohanprasad Tapadiya
Mr Amarender Reddy Minupuri
Dr. Suhasini Yatin Shah

Mr. Lakhan Dargad
Mr. B. Srinivas
Thirumala Precicasts Private Limited
MVL Medisynth Private Limited
SVS Sourcings Private Limited
Sri Venkateshwara Cement Products
Balaji Foundation & Research Center
APR Holdings and Investments LLP
Mrs. A Shakunthala Devi
Mrs. Madhumathi Gaddam
Ms. Meena Devi Ande
Mrs. Achanta Annapurna
Mrs. Dundurapu Vandana Reddy
Mrs. Gaddam Tanmai Reddy
Mrs. Saritha Nomula
Mr. N. Chandrabhushan Reddy
Mrs. Anusuya Kishan Reddy
Mr. Nomula Eeshan Reddy
Mrs. Nomula Deepti Rajeshwarreddy
Mr. Gaddam Raja Reddy
Mrs. Sunitha Gaddam
Mrs. Gaddam Laasya Reddy
Mrs. Gaddam Komali Reddy

Description of the relationship

Independent Director (upto 20th May, 2023)
Independent Director (upto 20th May, 2023)
Independent Director (upto 20th May, 2023)
Independent Director (upto 20th May, 2023)
Independent Director (upto 20th May, 2023)
Independent Director (from 20th May, 2023)
Independent Director (from 20th May, 2023)
Independent Director (from 20th May, 2023)
Independent Director (from 20th May, 2023)

Independent Director
Independent Director
Independent Director
Independent Director

Company Secretary, Holding Company
Company Secretary (from April 18, 2022)
Enterprise where KMP has Significance Influence/ Control
Enterprise where KMP has Significance Influence/ Control
Enterprise where KMP has Significance Influence/ Control
Enterprise where KMP has Significance Influence/ Control
Enterprise where KMP has Significance Influence/ Control
Enterprise where KMP has Significance Influence/ Control
Wife of Mr. Ande Prathap Reddy - Executive Chairman -
Wife of Mr. Gaddam Hemanth Reddy -Whole Time Director & CFO
Daughter of Mr. Ande Prathap Reddy - Executive Chairman
Daughter of Mr. Ande Prathap Reddy - Executive Chairman
Wife of Mr.Dundurapu Ram Reddy - Managing Director
Daughter of Mr.Dundurapu Ram Reddy - Managing Director
Wife of Mr. Nomula Rajeshwar Reddy - Whole Time Director
Brother of Mr. Nomula Rajeshwar Reddy - Whole Time Director
Sister of Mr. Nomula Rajeshwar Reddy - Whole Time Director
Son of Mr. Nomula Rajeshwar Reddy - Whole Time Director
Daughter of Mr. Nomula Rajeshwar Reddy - Whole Time Director
Father in Law of Mr. Nomula Rajeshwar Reddy - Whole Time Director
Sister of Mr. Gaddam Hemanth Reddy -Whole Time Director & CFO
Daughter of Mr. Gaddam Hemanth Reddy -Whole Time Director & CFO
Daughter of Mr. Gaddam Hemanth Reddy -Whole Time Director & CFO

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

(e) Transactions with related parties during the year

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--|------------------------------|------------------------------|
| Thirumala Precicasts Private Limited | | |
| Rental income | 3.00 | 3.18 |
| MVL Medisynth Private Limited | | |
| Sale of goods and services | 609.11 | 323.18 |
| Purchase of goods and services | 452.93 | 12.45 |
| SVS Sourcings Private Limited | | |
| Sale of goods and services | 5,874.74 | 5,308.32 |
| Sri Venkateshwara Cement Products | | |
| Sale of goods and services | 0.29 | - |
| Purchase of goods and services | 2.18 | - |
| Balaji Foundation & Research Center | | |
| Contribution towards Corporate Social Responsibility | 30.50 | - |
| Ande Prathap Reddy | | |
| Loan repaid | - | 400.00 |
| Interest paid | - | 6.60 |
| Remuneration* | 67.90 | 54.25 |
| Commission on profit | 930.09 | 1,355.86 |
| Nomula Rajeshwar Reddy | | |
| Remuneration* | 59.68 | 46.03 |
| Commission on profit | 620.06 | 894.04 |
| Dundurapu Ram Reddy | | |
| Remuneration* | 59.68 | 46.03 |
| Commission on profit | 620.06 | 894.04 |
| Gaddam Hemanth Reddy | | |
| Remuneration* | 55.81 | 46.03 |
| Commission on profit | 310.03 | 424.00 |
| Ande Srinivas Reddy | | |
| Remuneration* | 42.74 | 41.10 |
| Commission on profit | 620.06 | 898.97 |
| PardeepSingh RameshSingh Watwani | | |
| Remuneration* | 16.00 | 18.69 |
| Lakhan Dargad | | |
| Remuneration* | 5.88 | 2.55 |
| B. Srinivas | | |
| Remuneration* | 7.51 | - |



Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--|------------------------------|------------------------------|
| Sitting fees | | |
| Mr. Naveena Chandra Thammishetty | 1.12 | 1.16 |
| Mr. Amarender Reddy Minupuri | 1.24 | 1.26 |
| Mr. Satyanarayana Murthy Chavali | 1.14 | 1.12 |
| Mr. Kashinath Revappa Dhole | 1.63 | 1.60 |
| Mr. Vimala Behram Madon | 1.04 | 1.08 |
| Mr. Rajendrakumar Mohanprasad Tapadiya | 0.48 | 0.25 |
| Mr. Amarender Reddy Minupuri (in Subsidiary) | 0.35 | - |
| Mrs. Dr. Suhasini Yatin Shah (In Subsidiary) | 0.35 | - |
| Dividend paid to KMP | 507.07 | 338.05 |
| Dividend paid to relatives of KMP | 275.17 | 183.54 |
| Dividend paid to Enterprise where KMP has significant influence/control | 286.48 | 190.99 |

*This does not include gratuity based on actuarial valuation as this is done for the company as a whole.

(f) Outstanding balances as at the year end where related party relationship existed

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| MVL Medisynth Private Limited | | |
| Trade receivable | 171.43 | 227.23 |
| Trade payable | | - |
| Thirumala Precicasts Private Limited | | |
| Trade receivable | 0.45 | 0.29 |
| SVS Sourcings Private Limited | | |
| Trade receivable | 1,515.13 | 3,609.01 |
| Commission payable | | |
| Ande Prathap Reddy | 930.09 | 1,355.86 |
| Nomula Rajeshwar Reddy | 620.06 | 894.04 |
| Dundurapu Ram Reddy | 620.06 | 894.04 |
| Gaddam Hemanth Reddy | 310.03 | 424.00 |
| Ande Srinivas Reddy | 620.06 | 898.97 |

39. EMPLOYEE BENEFIT PLANS

(a) Leave obligations

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

(b) Defined contribution plans

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

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--|------------------------------|------------------------------|
| Company's contribution to provident fund | 238.38 | 217.09 |

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

(c) Defined benefit plan

The Group provides for gratuity for employees as per the Payment of Gratuity Act, 1972. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The company operates post retirement gratuity plan with LIC of India. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|------------------------------|------------------------------|
| Change in defined benefit obligations: | | |
| Obligation at the beginning of the year | 944.94 | 7.62 |
| Current service costs | 109.73 | 5.63 |
| Past service costs | 251.14 | - |
| Interest costs | 69.50 | 0.51 |
| Remeasurement (gains)/losses | 6.91 | (0.36) |
| Benefits paid | (35.13) | - |
| Obligation at the end of the year | 1,347.09 | 13.40 |
| Change in plan assets: | | |
| Fair value of plan assets at the beginning of the year | 949.65 | 9.49 |
| Interest income | 88.47 | 0.64 |
| Remeasurement (gains)/losses | (18.58) | 0.39 |
| Employer's contributions | 498.06 | 7.59 |
| Benefits paid | (35.13) | - |
| Fair value of plan assets at the end of the year | 1,482.47 | 18.11 |
| Expenses recognised in the statement of profit and loss consists of: | | |
| Employee benefits expense: | | |
| Current service costs | 109.73 | 5.63 |
| Past service costs | 251.14 | - |
| Net interest expenses | (18.97) | (0.12) |
| | 341.90 | 5.51 |
| Other comprehensive income: | | |
| (Gain)/loss on plan assets | (2.22) | (0.39) |
| Actuarial (gain)/loss arising from changes in financial assumptions | 1.95 | - |
| Actuarial (gain)/loss arising from changes in experience adjustments | 4.96 | - |
| (Return) on Plan Assets (Excluding Interest Income) | 16.36 | - |
| (Gain)/loss on obligations | 6.91 | (0.36) |
| Total OCI | 25.49 | (0.75) |
| Expenses recognised in the statement of profit and loss | 367.39 | 4.76 |
| Amounts recognised in the balance sheet consist of | | |
| Fair value of plan assets at the end of the year | 1,482.47 | 18.11 |
| Present value of obligation at the end of the year | 1,347.09 | 13.40 |
| Recognised as | | |
| Retirement benefit liability - Non-current | 155.52 | 13.40 |
| Retirement benefit liability - Current | 1,191.57 | - |

Fair value of plan assets --- 100% with LIC of India

Expected contribution to post-employment benefit plan of gratuity for the year ending March 31, 2024 is 160.00 lakhs.



Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

(d) Significant estimates and sensitivity analysis

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

| Particulars | Key assumptions | | | Defined benefit obligation | | | | |
|--------------------|-----------------|----------------|------|----------------------------|----------------|---------------------------|----------------|----------------|
| | | | | Increase in assumption by | | Decrease in assumption by | | |
| | March 31, 2023 | March 31, 2022 | Rate | March 31, 2023 | March 31, 2022 | Rate | March 31, 2023 | March 31, 2022 |
| Discount rate | 7.50% | 7.11% | 1% | (68.07) | 12.80 | 1% | 144.87 | 14.07 |
| Salary growth rate | 5.00% | 4.00% | 1% | 143.20 | 15.23 | 1% | (69.09) | 11.78 |
| Mortality Rate | 100.00% | 100.00% | 10% | 31.34 | 13.44 | 10% | 29.99 | 13.37 |
| Attrition rate | 4.00% | 4.00% | 1% | 51.65 | 17.30 | 1% | 6.88 | 8.10 |

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

(e) Risk exposure

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

Interest rate risk:

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

Salary inflation risk:

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

Demographic risk:

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

40. CAPITAL MANAGEMENT

(a) Capital management and gearing ratio

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

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

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Borrowings | | |
| Current | 2,727.18 | 4,306.30 |
| Non current | 3,030.25 | 5,757.43 |
| Debt | 5,757.43 | 10,063.73 |
| Equity | | |
| Equity share capital | 648.02 | 648.02 |
| Other equity | 1,54,775.40 | 1,24,336.80 |
| Total capital | 1,55,423.42 | 1,24,984.82 |
| Gearing ratio in % (debt/equity) | 3.70% | 8.05% |

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022

(b) Particulars relating to short term borrowings of the Holding Company

The Holding Company has obtained cash credit facilities under consortium banking from HFDC Bank Limited, State Bank of India and Bank of Baroda, which are secured by

- first pari-passu charge by way of hypothecation over the entire current assets of the company (except Hotel disvision) and
- first pari-passu charge by the consotium on Land and Building and other movable fixed assets including Plant and machinery, both present and future of Unit I (Freehold) at Gat No. 194, 195, 196, 197 & 201, Tamalwadi, Osmanabad, Maharashtra and Unit III (Leasehold) at Plot No E-7 & E-8, MIDC, Chincholi, Solapur, Maharashtra.

These loans carry interest rate ranging from 7.80% p.a to 8.25% p.a.

As on 31st March, 2023, there is no outstanding amount under these facilities.

(c) Dividends

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|------------------------------|------------------------------|
| (i) Equity shares | | |
| Final dividend for the year ended March 31, 2022 of ₹6/- per fully paid share | 1,944.06 | - |
| Final dividend for the year ended March 31, 2021 of ₹4/- per fully paid share | - | 1,296.04 |
| (ii) Dividends not recognised at the end of the reporting period | | |
| Directors have recommended the payment of final dividend of ₹10.00 (PY ₹6.00) per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting. | 3,240.10 | 1,944.06 |

41. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair values

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

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

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



Notes Forming Part of Consolidated Financial Statements

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(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

(i) Categories of financial instruments

| Particulars | Level | As at March 31, 2023 | | As at Mar 31, 2022 | |
|------------------------------------|-------|----------------------|------------------|--------------------|------------------|
| | | Carrying amount | Fair value* | Carrying amount | Fair value* |
| Financial assets | | | | | |
| Measured at amortised cost: | | | | | |
| Other financial assets | 3 | 615.15 | 615.15 | 608.30 | 608.30 |
| Current | | | | | |
| Trade receivables | 3 | 37,780.37 | 37,780.37 | 58,814.58 | 58,814.58 |
| Cash and cash equivalents | 3 | 14,776.28 | 14,776.28 | 3,312.64 | 3,312.64 |
| Other bank balances | 3 | 8,856.76 | 8,856.76 | 1,843.27 | 1,843.27 |
| Other financial assets | 3 | 49.98 | 49.98 | 4.29 | 4.29 |
| Measured at FVTPL | | | | | |
| Non-current | | | | | |
| Investments | 3 | 0.10 | 0.10 | 0.10 | 0.10 |
| Current | | | | | |
| Investments | 1 | 7,265.34 | 7,265.34 | - | - |
| Total | | 69,343.98 | 69,343.98 | 64,583.18 | 64,583.18 |
| Financial liabilities | | | | | |
| Measured at amortised cost | | | | | |
| Non-current | | | | | |
| Borrowings | 3 | 3,030.25 | 3,030.25 | 5,757.43 | 5,757.43 |
| Other financial liabilities | 3 | 100.14 | 100.14 | 92.95 | 92.95 |
| Current | | | | | |
| Borrowings | 3 | 2,727.18 | 2,727.18 | 4,306.30 | 4,306.30 |
| Trade payables | 3 | 6,224.26 | 6,224.26 | 18,088.14 | 18,088.14 |
| Other financial liabilities | 3 | 4,801.73 | 4,801.73 | 6,304.74 | 6,304.74 |
| Total | | 16,883.55 | 16,883.55 | 34,549.55 | 34,549.55 |

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

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Group could have realized or paid in sale transactions as of respective dates. As such,

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

the fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

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

(A) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk and price risk.

Financial instruments affected by market risk include loans and borrowings, trade receivables and trade payables involving foreign currency exposure. The sensitivity analyses in the following sections relate to the position as at March 31, 2023 and March 31, 2022.

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

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2023 and 31 March 2022.

(i) Foreign currency exchange rate risk

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

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

(ii) Sensitivity

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

Foreign Currency Exposure

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|--|----------------------|-----------------|----------------------|-----------------|
| | EURO | USD | EURO | USD |
| Bank balances | - | 918.85 | - | 250.57 |
| Trade receivables | 1,190.53 | 3,596.58 | 2,743.04 | 6,236.48 |
| Trade payables | - | (1,273.14) | - | (5,454.06) |
| Net exposure to foreign currency risk | 1,190.53 | 3,242.29 | 2,743.04 | 1,032.99 |

| Particulars | Increase/(decrease) in profit before tax | | Increase/(decrease) in other components of equity | |
|----------------|--|----------------|---|----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Change in EURO | | | | |
| 1% increase | 11.91 | 27.43 | 8.86 | 20.46 |
| 1% decrease | (11.91) | (27.43) | (8.86) | (20.46) |
| Change in USD | | | | |
| 1% increase | 57.89 | 119.41 | 24.35 | 88.56 |
| 1% decrease | (57.89) | (119.41) | (24.35) | (88.56) |



Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

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

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates. As the Group has certain debt obligations with floating interest rates, exposure to the risk of changes in market interest rates are dependent of changes in market interest rates. Management monitors the movement in interest rate and, wherever possible, reacts to material movements in such rates by restructuring its financing arrangement.

As the Group has no significant interest bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

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

| Particulars | Increase/(decrease) in profit before tax | | Increase/(decrease) in other components of equity | |
|------------------------------|--|----------------|---|----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Change in interest rate | | | | |
| increase by 100 basis points | 851.90 | 1,055.34 | 637.49 | 789.73 |
| decrease by 100 basis points | (851.90) | (1,055.34) | (637.49) | (789.73) |

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

(B) Credit Risk

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

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

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

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

| Particulars | March 31, 2023 | March 31, 2022 |
|---|------------------|------------------|
| Gross carrying amount | 37,780.37 | 58,814.59 |
| Expected credit losses (Loss allowance provision) | - | - |
| Carrying amount of trade receivables | 37,780.37 | 58,814.59 |

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

(ii) Significant estimates and judgements

Impairment of financial assets:

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

(C) Liquidity risk

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

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

(i) Financing arrangements:

The group had access to the following undrawn borrowing facilities at the end of the year

| Particulars | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| Expiring within one year (bank overdraft and other facilities) | 19,500.00 | 15,421.00 |

(ii) Maturities of financial liabilities

Contractual maturities of financial liabilities as at :

| Particulars | March 31, 2023 | | March 31, 2022 | |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|
| | Less than 12 months | More than 12 months | Less than 12 months | More than 12 months |
| Borrowings | 2,727.18 | 3,030.25 | 4,306.30 | 5,757.43 |
| Trade payables | 6,224.26 | - | 18,088.15 | - |
| Other financial liabilities | 4,801.73 | 100.14 | 6,304.74 | 92.95 |
| Total | 13,753.17 | 3,130.39 | 28,699.18 | 5,850.38 |

(iii) Management expects finance costs to be incurred for the year ending March 31, 2024 is ₹1043.45 Lakhs.

42. SEGMENT INFORMATION

(a) Description of segments and principal activities

The Holding Company's Managing Director and Chief Financial Officer examines the group's performance from a product perspective and has identified two reportable segments:

1. Chemicals - Engaged in the manufacturing of speciality chemicals, aliphatics amines and derivatives
2. Hotel - Engaged in hotel, restaurant and hospitality services"

Segment revenue and expenses:

The Group has an established basis of allocating Joint/Corporate expenses to the segments, which is reasonable, and followed consistently. All other segment revenue and expenses are attributable to the segments. Certain Expenses/Income are not specifically allocable to specific segments and accordingly these expenses are disclosed as unallocated corporate expenses or income and adjusted only against the total income of the group. Segment result includes the respective other income."

Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowances and provisions that are reported as direct offsets in the balance sheet. While most assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. In such cases, the entire revenue and expenses of these assets including depreciation are also allocated to the same segments. Assets which are not allocable to the segments have been disclosed as unallocated corporate assets'. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. Segment assets and liabilities do not include deferred income taxes. The loans and other borrowings that are not specifically allocable to the various segments are disclosed as 'unallocated corporate liabilities'.



Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

Inter segment transfers:

The Group adopts a policy of pricing inter-segment transfers at cost to the transferor segment.

Summary of segment information

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|------------------------------|------------------------------|
| A. Revenue | | |
| Segment Revenue | | |
| Chemicals | 2,34,180.99 | 2,31,842.68 |
| Hotel | 2,641.36 | 1,695.57 |
| Inter segment revenue | (16.06) | (15.02) |
| Total Revenue | 2,36,806.29 | 2,33,523.23 |
| B. Segment profit | | |
| Chemicals | 57,443.22 | 59,454.01 |
| Hotel | 556.12 | 111.49 |
| Segment operating profit | 57,999.34 | 59,565.50 |
| Reconciliation of segment operating profit to operating profit | | |
| Unallocated: | | |
| Unallocated corporate expenses | (378.56) | (263.61) |
| Unallocated corporate income | 257.91 | 236.99 |
| Operating profit | 57,878.69 | 59,538.88 |
| Finance costs | 1,197.17 | 1,710.03 |
| Profit before tax | 56,681.52 | 57,828.85 |
| Income tax expense | 16,113.22 | 16,038.75 |
| Profit after tax | 40,568.30 | 41,790.10 |
| Segment assets | | |
| Chemicals | 1,89,545.59 | 1,67,146.53 |
| Hotel | 6,108.33 | 6,440.04 |
| Unallocated corporate assets | 626.84 | 939.49 |
| Total assets | 1,96,280.76 | 1,74,526.06 |
| Segment liabilities | | |
| Chemicals | 17,319.08 | 35,303.84 |
| Hotel | 282.52 | 238.47 |
| Unallocated corporate liabilities | 8,863.24 | 7,497.58 |
| Total liabilities | 26,464.84 | 43,039.89 |

| Particulars | As at March, 31, 2023 | As at March, 31, 2022 |
|------------------------------------|--------------------------|--------------------------|
| Geographical segment assets | | |
| India | | |
| Current | 98,734.30 | 80,924.19 |
| Non Current | 91,947.35 | 83,786.03 |
| Outside India | | |
| Current | 4,548.75 | 9,785.17 |
| Non Current | 1,050.36 | 30.67 |
| TOTAL | 1,96,280.76 | 1,74,526.05 |

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|-------------------------------------|------------------------------|------------------------------|
| Geographical segment revenue | | |
| India | 1,81,712.32 | 1,80,843.46 |
| Outside India | 52,184.43 | 49,892.84 |
| TOTAL | 2,33,896.75 | 2,30,736.30 |

(b) Information about products:

Revenue from external customers - Sale of Chemicals : ₹2,34,180.98 Lakhs

Revenue from external customers - Hotel: ₹2,625.30 Lakhs

(c) The group has not made external sales to a single customer meeting the criteria of 10% or more of the entity's revenue

43. IND AS 115 - REVENUE FROM CONTRACTS WITH CUSTOMERS

(A) The Group is primarily in the Business of manufacture and sale of Speciality Chemicals and Hotel Industry. All product sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch or delivery. All service sales are made over a period of time and revenue is recognised based on percentage of completion method. The Group has a credit evaluation policy based on which the credit limits for the trade receivables are established, the Group does not give significant credit period resulting in no significant financing component.

(B) Reconciliation of revenue recognised from contract liability (Advance from customers):

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Opening contract liability | 245.36 | 246.72 |
| Less: Recognised as revenue during the year | (13,900.75) | (16,835.32) |
| Add: Addition to contract liability during the year | 13,909.33 | 16,833.96 |
| Closing contract liability | 253.94 | 245.36 |

(C) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Revenue from contract with customer as per contract price | 2,50,512.21 | 2,42,431.22 |
| Less: Discounts and incentives | 0.82 | 8.23 |
| Less: Sales Returns/credits/reversals | 403.13 | 337.10 |
| Less: Intercompany sales | 16,211.51 | 11,349.59 |
| Revenue from contract with customer as per statement of profit and loss | 2,33,896.75 | 2,30,736.30 |

(D) Disaggregation of Revenue from contracts with customers

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|-------------|------------------------------|------------------------------|
| India | 1,81,712.32 | 1,80,843.46 |
| Argentina | 741.10 | 622.18 |
| Australia | 120.86 | 775.12 |
| Bangladesh | 51.18 | 90.19 |
| Belgium | 874.50 | 2,111.82 |
| Brazil | 211.89 | 988.86 |
| Canada | 46.61 | 141.41 |



Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|-----------------|------------------------------|------------------------------|
| China | 22,009.07 | 8,249.89 |
| Costa Rica | 254.25 | 206.57 |
| Germany | 1,406.19 | 935.82 |
| Indonesia | 11.57 | 41.08 |
| Ireland | 255.00 | 1,483.15 |
| Israel | 236.36 | 213.41 |
| Italy | 4,452.27 | 6,607.64 |
| Japan | 403.11 | 564.99 |
| Jordan | - | 12.07 |
| Korea | 438.43 | 1,340.95 |
| Malaysia | 1,673.84 | 1,618.86 |
| Mexico | 2,125.51 | 1,274.95 |
| Netherlands | 4,013.22 | 1,095.01 |
| Norway | 1,038.64 | 535.27 |
| Philippines | 779.54 | 373.59 |
| Saudi Arabia | 94.57 | 9.73 |
| Singapore | 465.52 | 556.89 |
| Slovenia | - | 7.42 |
| South Africa | 123.23 | 62.31 |
| Spain | 2,335.72 | 2,688.52 |
| Switzerland | - | 114.74 |
| Taiwan | 19.28 | 64.86 |
| Thailand | 9.87 | 2.47 |
| The Netherlands | - | 3,671.58 |
| Turkey | 1,613.85 | 2,708.72 |
| UAE | 352.05 | 592.44 |
| United Kingdom | 697.48 | 1,437.36 |
| USA | 4,549.65 | 8,423.92 |
| Vietnam | 83.43 | 147.15 |
| France | 343.58 | - |
| Kuwait | 24.31 | - |
| Morocco | 64.25 | - |
| New Zealand | 17.71 | - |
| Poland | 13.71 | - |
| United Kingdom | 233.09 | 121.90 |
| Total | 2,33,896.75 | 2,30,736.30 |

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, except for share data or as otherwise stated)

44. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

| 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 | Amount |
| Parent | | | | | | | | |
| Balaji Amines Limited | 82.46% | 1,40,032.60 | 56.09% | 22,754.22 | 71.69% | (16.36) | 56.08% | 22,737.86 |
| Subsidiary | | | | | | | | |
| Balaji Speciality Chemicals Limited | 11.84% | 20,105.25 | 24.15% | 9,797.26 | 15.57% | (3.55) | 24.15% | 9,793.71 |
| Non-controlling interest | | | | | | | | |
| | 9.69% | 16,449.75 | 19.76% | 8,016.30 | 12.74% | (2.91) | 19.76% | 8,013.39 |
| Less: Inter Company elimination | 3.99% | 6,771.67 | 0.00% | (0.52) | 0.00% | - | 0.00% | (0.52) |
| Total | 100.00% | 1,69,815.95 | 100.00% | 40,568.30 | 100.00% | (22.82) | 100.00% | 40,545.48 |

45. IMPACT OF COVID 19 PANDEMIC

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

46. NOTE ON "CODE ON SOCIAL SECURITY, 2020"

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

47. The figures of previous year have been regrouped/reclassified wherever necessary to conform to current year's presentation.

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

As per our report of even date
For **M. Anandam & Co.,**
Chartered Accountants
Firm Regn No: 000125S

For and on behalf of Board of Directors

Sd/-
M V Ranganath
Partner
Membership No.028031
Place : Hyderabad
Date : May 20, 2023

Sd/-
A Prathap Reddy
Executive Chairman
DIN 00003967
Place : Hyderabad
Date : May 20, 2023

Sd/-
A Srinivas Reddy
Whole Time Director & CFO
DIN 03169721
Place : Hyderabad
Date : May 20, 2023

Sd/-
Lakhan Dargad
Company Secretary
M No : A52571
Place : Solapur
Date : May 20, 2023



Notes

[illegible]

[illegible]



Corporate Information

BOARD OF DIRECTORS

| | |
|----------------------------------|---|
| Mr. Ande Prathap Reddy | Executive Chairman |
| Mr. Dundurapu Ram Reddy | Managing Director |
| Mr. Rajeshwar Reddy Nomula | Whole-time Director (Re-designated as Whole-time Director w.e.f. 20 th May, 2023) |
| Mr. Ande Srinivas Reddy | Whole-time Director & CFO (Re-designated as CFO w.e.f. 20 th May, 2023) |
| Mr. Hemanth Reddy Gaddam | Whole-time Director & CFO (Till 20 th May, 2023) |
| Mr. Naveena Chandra Thammishetty | Independent Director (Till 20 th May, 2023) |
| Mr. Satyanarayana Murthy Chavali | Independent Director (Till 20 th May, 2023) |
| Mr. Kashinath Revappa Dhole | Independent Director (Till 20 th May, 2023) |
| Mr. Amarendra Reddy Minupuri | Independent Director (Till 20 th May, 2023) |
| Mrs. Vimala Behram Madon | Independent Director (Till 20 th May, 2023) |
| Dr. Suhasini Yatin Shah | Additional Independent Director (From 20 th May, 2023) |
| Dr. Uma Rajiv Pradhan | Additional Independent Director (From 20 th May, 2023) |
| Mr. Mohan Kumar Ramakrishna | Additional Independent Director (From 20 th May, 2023) |
| Mr. Adabala Seshagiri Rao | Additional Independent Director (From 20 th May, 2023) |

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Lakhan Suganchand Dargad

AUDIT COMMITTEE

| | |
|-----------------------------|----------|
| Mr. Adabala Seshagiri Rao | Chairman |
| Dr. Suhasini Yatin Shah | Member |
| Mr. Mohan Kumar Ramakrishna | Member |

STAKEHOLDERS' RELATIONSHIP COMMITTEE

| | |
|-------------------------|-------------|
| Dr. Suhasini Yatin Shah | Chairperson |
| Dr. Uma Rajiv Pradhan | Member |
| Mr. Dundurapu Ram Reddy | Member |

RESEARCH & DEVELOPMENT COMMITTEE

| | |
|----------------------------|----------|
| Mr. Ande Prathap Reddy | Chairman |
| Mr. Rajeshwar Reddy Nomula | Member |
| Mr. Ande Srinivas Reddy | Member |

NOMINATION AND REMUNERATION COMMITTEE

| | |
|-----------------------------|----------|
| Mr. Mohan Kumar Ramakrishna | Chairman |
| Dr. Uma Rajiv Pradhan | Member |
| Mr. Adabala Seshagiri Rao | Member |

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

| | |
|----------------------------|-------------|
| Dr. Uma Rajiv Pradhan | Chairperson |
| Mr. Dundurapu Ram Reddy | Member |
| Mr. Rajeshwar Reddy Nomula | Member |

RISK MANAGEMENT COMMITTEE

| | |
|-----------------------------|----------|
| Mr. Mohan Kumar Ramakrishna | Chairman |
| Mr. Adabala Seshagiri Rao | Member |
| Dr. Uma Rajiv Pradhan | Member |
| Mr. Ande Srinivas Reddy | Member |

OFFICES

REGISTERED OFFICE

Balaji Towers No. 9/1A/1, Hotgi Road, Asara Chowk, Solapur – 413224, Maharashtra, India

ADMINISTRATIVE OFFICE

47, Kavuri Hills, Hyderabad - 500 033, Telangana, India

FACTORIES

UNIT 1

Tamalwadi Village, Taluka-Tuljapur, Osmanabad- 413 623, Maharashtra

UNIT 2

Plot No. 4 & 5, Beside Sub-Station 2, IDA Bollaram, Sangareddy-502 325

UNIT 3

Plot No. E-7 & 8, Chincholi MIDC, Taluka Mohol, Solapur-413 255, Maharashtra

UNIT 4

Plot No. F-104, Chincholi MIDC, Taluka Mohol, Solapur-413 255, Maharashtra

UNIT 5

Nandi Kandi, Sadasivpet, Sangareddy-502 001, Telangana

HOTEL DIVISION

Balaji Sarovar Premiere
Survey No. 9/1A/1, Aasara Chowk, Hotgi Road,
Solapur-413 224, Maharashtra

STATUTORY AUDITORS

M/s. M. Anandam & Co.
Chartered Accountants,
7/A, Surya Towers,
Sardar Patel Road,
Secunderabad – 500003, Telangana.

SECRETARIAL AUDITORS

M/s. P. S. Rao & Associates
Company Secretaries
Flat No. 10, 4th Floor, # 6-3-347/22/2, Ishwarya Nilayam,
Dwarakapuri Colony, Panjagutta,
Hyderabad-500 082, Telangana

COST ACCOUNTANT

Mr. Narayan D. Dontul
Practising Cost Accountant,
235/72, Telangi Pacha Peth, Solapur - 413005, Maharashtra.

BANKERS

State Bank of India
HDFC Bank Limited
Bank of Baroda

SHARE TRANSFER AGENTS

Venture Capital and Corporate Investments Pvt. Ltd.
(Category-I Registrars)
"Aurum", Door No.4-50/P-II/57/4F & 5F, Plot No.57,
4th & 5th Floors, Jayabheri Enclave Phase – II,
Gachibowli, Hyderabad – 500 032, Telangana.
Ph: 040 - 23818475, 23868257, 35164940;
Email: investor.relations@vccipl.com


BALAJI
SAROVAR PREMIERE
 A Division of Balaji Amines Limited
 Solapur's first world class luxury destination!




AMINES LIMITED
...A Speciality Chemical Company

REGISTERED OFFICE:

Balaji Towers
 No. 9/1A/1, Hotgi Road, Asara Chowk
 Solapur, Maharashtra 413 224
 India

ADMINISTRATIVE OFFICE:

47, Kavuri Hill, Madhapur
 Hyderabad 500 033
 India

An ISO 9001 2015 Company
 CIN: L24132MH1988PLC049387