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(Please scan this QR Code to view the Addendum)



**BALAJI SPECIALITY CHEMICALS LIMITED**

Our Company was originally incorporated as 'Balaji Benzochem Private Limited' as a private limited company under the Companies Act, 1956 at Solapur, Maharashtra, pursuant to a certificate of incorporation dated August 20, 2010, issued by the Registrar of Companies, Maharashtra at Pune ("RoC"). The name of our Company was changed from 'Balaji Benzochem Private Limited' to 'Balaji Speciality Chemicals Private Limited', pursuant to a Board resolution dated February 23, 2016, Shareholders' resolution dated February 26, 2016 and a certificate of incorporation pursuant to change of name dated March 14, 2016 issued by the RoC. Subsequently, the name of our Company was changed from 'Balaji Speciality Chemicals Private Limited' to 'Balaji Speciality Chemicals Limited' upon conversion into a public company, pursuant to a Board resolution dated January 31, 2022, Shareholders' resolution dated February 26, 2022, and a fresh certificate of incorporation consequent upon conversion from private company to public company dated March 17, 2022 issued by the RoC. For further details relating to changes in the name and registered office of our Company, see "History and Certain Corporate Matters" on page 183 of the Draft Red Herring Prospectus dated August 10, 2022 (the "Draft Red Herring Prospectus").

**Corporate Identity Number:** U24299PN2010PLC137162  
**Registered Office:** 2nd Floor, Balaji Towers No 9/1A/1, Hotgi Road, Aasara Chowk, Solapur 413 224, Maharashtra, India; **Tel:** +91 217 2606 006;  
**Contact Person:** Srinivas Bodge, Company Secretary and Compliance Officer; **Tel:** + 91 217 2451559  
**E-mail:** investors@balajispecialitychemicals.com; **Website:** www.balajispecialitychemicals.com

**NOTICE TO INVESTORS: ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS (THE "ADDENDUM")**

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹2 EACH ("EQUITY SHARES") OF BALAJI SPECIALITY CHEMICALS LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION ("OFFER"). THE OFFER COMPRISES OF A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 2,500.00 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 26,000,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION COMPRISING OF UP TO 1,030,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY ANDE PRATHAP REDDY, UP TO 5,600,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY ANDE SRINIVAS REDDY, UP TO 1,900,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY RAM REDDY DUNDURAPU, UP TO 2,300,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY RAJESHWAR REDDY NOMULA, UP TO 660,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY GADDAM HEMANTH REDDY, UP TO 2,250,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY ACHANTA ANNAPURNA, UP TO 2,000,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY DUNDURAPU VANDANA REDDY, UP TO 3,600,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY ANDE SHAKUNTALA DEVI, UP TO 900,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY GADDAM MADHUMATHI, UP TO 1,300,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY GADDAM TANMAI REDDY, UP TO 2,100,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY EESHAN REDDY NOMULA, UP TO 800,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY NOMULA DEEPTI RAJESHWAR REDDY, UP TO 780,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY GADDAM LAASYA REDDY AND UP TO 780,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY GADDAM KOMALI REDDY ("SELLING SHAREHOLDERS") ("OFFER FOR SALE"), AND TOGETHER WITH THE FRESH ISSUE, THE "OFFER")

IN ACCORDANCE WITH AND SUBJECT TO REGULATION 33 OF THE SEBI ICDR REGULATIONS, THE OFFER MAY INCLUDE A RESERVATION OF UP TO [●] EQUITY SHARES, AGGREGATING UP TO ₹ [●] MILLION (CONSTITUTING UP TO [●] % OF THE OFFER), FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEE(S) (THE "EMPLOYEE RESERVATION PORTION") AND A RESERVATION OF UP TO [●] EQUITY SHARES, AGGREGATING UP TO ₹ [●] MILLION (CONSTITUTING UP TO [●] % OF THE OFFER), FOR SUBSCRIPTION BY BALAJI AMINES SHAREHOLDERS (AS DEFINED IN THE DRAFT RED HERRING PROSPECTUS) ("BALAJI AMINES SHAREHOLDER RESERVATION PORTION"). OUR COMPANY AND THE SELLING SHAREHOLDERS, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMs"), MAY OFFER A DISCOUNT OF UP TO [●] % (EQUIVALENT TO ₹ [●] PER EQUITY SHARE) OF THE OFFER PRICE TO ELIGIBLE EMPLOYEE(S) BIDDING IN THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT") AND OF UP TO [●] % (EQUIVALENT TO ₹ [●] PER EQUITY SHARE) OF THE OFFER PRICE TO BALAJI AMINES SHAREHOLDER(S) BIDDING IN THE BALAJI AMINES SHAREHOLDER RESERVATION PORTION ("SHAREHOLDER DISCOUNT"), SUBJECT TO NECESSARY APPROVALS, AS MAY BE REQUIRED. THE OFFER LESS THE EMPLOYEE RESERVATION PORTION AND THE BALAJI AMINES SHAREHOLDER RESERVATION PORTION IS REFERRED TO AS "NET OFFER".

Potential Bidders may note the following:

- The Draft Red Herring Prospectus contained the Restated Financial Information of our Company as at and for the Financial Years 2022, 2021 and 2020. Due to the lapse of time, updated restated financial information as at and for the Financial Year 2023 has become available since the filing of the Draft Red Herring Prospectus with SEBI and the Stock Exchanges. Accordingly, the section titled "Restated Financial Information" beginning on page 216 of the Draft Red Herring Prospectus has been updated through this Addendum to provide updated restated financial information of our Company, as at and for the Financial Years 2023, 2022 and 2021, which comprises the restated balance sheet of the Company as at March 31, 2023, March 31, 2022 and March 31, 2021, the restated statement of profit and loss (including other comprehensive income), the restated statement of cash flows and the restated statement of changes in equity for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, the summary statement of significant accounting policies, and other explanatory information, prepared in terms of requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time.
- At the time of filing of the Draft Red Herring Prospectus, our Company was eligible to undertake the Offer in accordance with Regulation 6(2) of the SEBI ICDR Regulations. Pursuant to the updated restated financial information of our Company as at and for the Financial Years ended March 31, 2023, March 31, 2022, and March 31, 2021, our Company is eligible to undertake the Offer under Regulation 6(1) of the SEBI ICDR Regulations. Accordingly, the section titled "Other Regulatory and Statutory Disclosures" beginning on page 294 of the Draft Red Herring Prospectus has been updated to include the updated status of compliance with the eligibility conditions under Regulation 6(1) of the SEBI ICDR Regulations. Further, the section titled "Offer Structure" beginning on page 312 of the Draft Red Herring Prospectus has also been updated to include the updated allocation structure in the Offer in compliance with Regulation 32(1) of the SEBI ICDR Regulations. Please note that all other details in, and updates to, the Draft Red Herring Prospectus will be carried out in the Red Herring Prospectus and the Prospectus, as and when they are filed with the RoC, SEBI and the Stock Exchanges.
- Please note that our Whole-time Director, Ram Reddy Dundurapu and our Independent Director, Kashinath Revappa Dhole resigned from the Company with effect from May 15, 2023. All necessary updates to the Draft Red Herring Prospectus in this regard will be carried out in the Red Herring Prospectus and the Prospectus, as and when they are filed with the RoC, SEBI and the Stock Exchanges.

Potential Bidders may note that in order to assist the Bidders to get a complete understanding of the updated information, the relevant portions of the sections titled "Restated Financial Information", "Other Regulatory and Statutory Disclosures" and "Offer Structure" have been included in this Addendum. The abovementioned changes are to be read in conjunction with the Draft Red Herring Prospectus and accordingly their references in the Draft Red Herring Prospectus stand updated pursuant to this Addendum. The information in this Addendum supplements the Draft Red Herring Prospectus and updates the information in the Draft Red Herring Prospectus, as applicable. However, this Addendum does not reflect all the changes that have occurred between the date of filing of the Draft Red Herring Prospectus and the date hereof, and accordingly does not include all the changes and/or updates that will be included in the Red Herring Prospectus and the Prospectus. Please note that the information included in the Draft Red Herring Prospectus will be suitably updated, including to the extent stated in this Addendum, as may be applicable, in the Red Herring Prospectus and the Prospectus, as and when filed with the RoC, SEBI and the Stock Exchanges. Investors should not rely on the Draft Red Herring Prospectus or this Addendum for any investment decision, and should read the Red Herring Prospectus, as and when it is filed with the RoC, SEBI and the Stock Exchanges before making an investment decision with respect to the Offer.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in "offshore transactions" as defined and in reliance on Regulation S and the applicable laws of the jurisdictions where such offers and sales are made. There will be no public offering of the Equity Shares in the United States.

This addendum which has been filed with SEBI and the Stock Exchanges shall be made available to the public for comments, if any, for a period of at least 21 days, from the date of such filing with SEBI and will be available on their website www.SEBI.gov.in and the websites of BRLMs, i.e. HDFC Bank Limited at www.hdfcbank.com and JM Financial Limited at www.jmfl.com. All capitalized terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus.

Place: Solapur  
 Date: July 5, 2023

For Balaji Speciality Chemicals Limited  
 On behalf of the Board of Directors  
 Sd/-  
**Srinivas Bodge**  
 Company Secretary and Compliance Officer

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE OFFER	
<p><b>HDFC Bank Limited</b>                      Investment Banking Group                      Unit No. 401 &amp; 402, 4<sup>th</sup> Floor,                      Tower B, Peninsula Business Park,                      Lower Parel, Mumbai 400 013, Maharashtra, India                      Tel.: +91 22 3395 8233                      E-mail: bsclipo@hdfcbank.com                      Investor Grievance E-mail: investor.redressal@hdfcbank.com                      Website: www.hdfcbank.com                      Contact Person: Kunal Thakkar/ Dhruv Bhavsar                      SEBI Registration No: INM000011252</p>		<p><b>JM Financial Limited</b>                      7<sup>th</sup> Floor, Energy                      Appasaheb Marathe Marg, Prabhadevi,                      Mumbai - 400 025,                      Maharashtra, India                      Tel.: +91 22 6630 3030                      E-mail: bscl.ipo@jmfl.com                      Investor Grievance E-mail: grievance.ibd@jmfl.com                      Website: www.jmfl.com                      Contact Person: Prachee Dhuri                      SEBI Registration No: INM000010361</p>	<p><b>Link Intime India Private Limited</b>                      C-101, 1<sup>st</sup> Floor, 247 Park                      L.B.S. Marg, Vikhroli West                      Mumbai 400 083                      Maharashtra, India                      Tel: +91 22 4918 6200                      E-mail: balajispeciality.ipo@linkintime.co.in                      Website: www.linkintime.co.in                      Investor grievance e-mail: balajispeciality.ipo@linkintime.co.in                      Contact person: Shanti Gopalkrishnan                      SEBI Registration No.: INR000004058</p>
<b>BID/OFFERPROGRAMME</b>			
<b>BID/OFFER OPENS ON</b>	[●]*	<b>BID/OFFER CLOSSES ON</b>	
		[●]**	

\*Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.  
 \*\* Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

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**RESTATED FINANCIAL INFORMATION**

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# M.ANANDAM & CO., CHARTERED ACCOUNTANTS

## INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION

To

The Board of Directors

**Balaji Speciality Chemicals Limited**

(formerly known as Balaji Speciality Chemicals Private Limited)

2<sup>nd</sup> Floor, Balaji Towers No.9/1A/1,

Hotgi Road, Aasara Chowk,

Solapur, Maharashtra – 413224

Dear Sirs / Madams,

1. We have examined the attached restated financial information of **Balaji Speciality Chemicals Limited (formerly known as Balaji Speciality Chemicals Private Limited)** (the “**Company**”) comprising the Restated Balance Sheet as at March 31, 2023, March 31, 2022 and March 31, 2021, the Restated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Statement of Cash Flows and the Restated Statement of Changes in Equity for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the “**Restated Financial Information**”), as approved by the Board of Directors of the Company at their meeting held on July 05, 2023 for the purpose of inclusion in the addendum to the Draft Red Herring Prospectus dated August 10, 2022 (“**Addendum to the DRHP**”), Red Herring Prospectus (“**RHP**”) and the Prospectus (“**Prospectus**”), (Addendum to the DRHP, RHP and Prospectus, collectively the “**Offer Documents**”) prepared by the Company in connection with its proposed Initial Public Offer of equity shares (“**IPO**”) prepared in terms of the requirements of:
  - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the “**Act**”);
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”); and
  - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“**ICAI**”), as amended from time to time (the “**Guidance Note**”).
2. The Company’s Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Offer Documents to be filed with Securities and Exchange Board of India (“**SEBI**”), the BSE Limited (“**BSE**”) and the National Stock Exchange of India Limited (“**NSE**”), (“**BSE**” together with “**NSE**” are collectively referred to as the “**Stock Exchanges**”) and Registrar of Companies, Maharashtra at Pune in connection with the IPO. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation stated in note 2(i) to the Restated Financial Information. The responsibility of the Board of Directors of the Company includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors of the Company are also responsible for identifying and ensuring that the Company complies with the Act, the SEBI ICDR Regulations and the Guidance Note.

7 ‘A’, SURYA TOWERS, SARDAR PATEL ROAD, SECUNDERABAD – 500003.

PHONE: 2781 2377, 2781 2034, FAX:2781 2091

3. We have examined such Restated Financial Information taking into consideration:
- The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 29.04.2022 in connection with the IPO of the Company;
  - The Guidance Note which also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
  - The requirements of Section 26 of the Act and the SEBI ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the SEBI ICDR Regulations and the Guidance Note in connection with the IPO.

4. These Restated Financial Information have been compiled by the management from:

Audited Ind AS financial statements of the Company as at and for the years ended March 31, 2023 and March 31, 2021, prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors of the Company at their meetings held on May 15, 2023 and May 22, 2021, respectively.

Special purpose financial statements of the Company as at and for the year ended March 31, 2022, prepared in accordance with the Ind AS as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors of the Company at their meeting held on July 28, 2022.

5. We have audited the special purpose financial statements of the Company for the year ended March 31, 2022 prepared by the Company in accordance with the Ind AS for the limited purpose of complying with the requirement of getting its financial statements audited by an audit firm holding a valid peer review certificate issued by the Peer Review Board of the ICAI as required by the SEBI ICDR Regulations in related to the IPO. We have issued our report dated July 28, 2022 on these special purpose financial statements to the Board of Directors who have approved these in their meeting held on July 28, 2022.

6. For the purpose of our examination, we have relied on:

Auditor's report issued by previous auditors dated May 22, 2021 on the financial statements of the Company as at and for the year ended March 31, 2021 as referred in Paragraph 4 above;

Our report dated July 28, 2022 on the special purpose financial statements of the Company as at and for the year ended March 31, 2022 as referred in Paragraph 4 above;

Our report dated May 15, 2023, on the financial statements of the Company as at and for the year ended March 31, 2023, as referred in Paragraph 4 above.

7. Based on our examination and according to the information and explanations given to us, we report that the Restated Financial Information:

- a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping / reclassifications retrospectively in the financial years ended March 31, 2021 and March 31, 2022 to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the year ended March 31, 2023;
  - b) do not require any adjustment for modification as there is no modification in the underlying audit reports; and
  - c) have been prepared in accordance with the Act, the SEBI ICDR Regulations and the Guidance Note.
8. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 4 above.
  9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by previous auditors or by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
  10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
  11. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
  12. Our report is intended solely for use of the Board of Directors for the Company inclusion in the Offer Documents to be filed with the SEBI, the Stock Exchanges and the Registrar of Companies, Maharashtra at Pune in connection with the IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

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

M V Ranganath  
Partner  
Membership Number: 028031  
UDIN: 23028031BGVWKG6001

Place: Secunderabad  
Date: 05-07-2023

<b>BALAJI SPECIALITY CHEMICALS LIMITED (Formerly known as BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED)</b>				
<b>Annexure I</b>				
<b>Restated Balance Sheet</b>				
<i>(All amounts are in rupees in millions, except share data or otherwise stated)</i>				
Particulars	Note No. Annexure VII	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>I. ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
(a) Property, plant and equipment	1	1,778.03	1,878.61	2,002.99
(b) Capital work-in-progress	2.1	394.90	-	-
(c) Right-of-use assets	2.2	1.40	0.11	0.01
(d) Financial assets				
Other financial assets	3	17.10	19.03	18.55
(e) Deferred tax assets (net)	4.1	-	-	30.84
(f) Other non-current assets	5	14.38	1.13	-
		<b>2,205.81</b>	<b>1,898.88</b>	<b>2,052.39</b>
<b>CURRENT ASSETS</b>				
(a) Inventories	6	355.80	220.04	162.10
(b) Financial assets				
(i) Investment	7.1	103.37	-	-
(ii) Trade receivables	7.2	1,175.94	1,559.40	389.38
(iii) Cash and cash equivalents	7.3	570.94	34.12	19.55
(iv) Bank balances other than (ii) above	7.4	181.17	0.22	0.32
(v) Other financial assets	7.5	0.43	0.43	4.41
(c) Current tax assets (net)	8	-	-	-
(d) Other current assets	9	216.34	303.01	402.29
		<b>2,603.99</b>	<b>2,117.22</b>	<b>978.05</b>
		<b>4,809.80</b>	<b>4,016.10</b>	<b>3,030.44</b>
<b>TOTAL ASSETS</b>				
<b>II. EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity share capital	10	400.00	400.00	400.00
(b) Other equity	11	3,255.50	1,474.79	385.32
		<b>3,655.50</b>	<b>1,874.79</b>	<b>785.32</b>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
(a) Financial liabilities				
(i) Borrowings	12	303.03	1,235.74	1,661.97
(ii) Lease liabilities	2.2	0.79	0.06	-
(b) Provisions	13	0.17	1.70	1.07
(c) Deferred tax liabilities (net)	4.2	223.05	149.19	-
(d) Other non-current liabilities	14	-	17.83	-
		<b>527.04</b>	<b>1,404.52</b>	<b>1,663.04</b>
<b>CURRENT LIABILITIES</b>				
(a) Financial liabilities				
(i) Borrowings	15.1	272.72	430.63	382.17
(ii) Lease liabilities	2.2	0.68	0.05	0.01
(iii) Trade payables	15.2			
a) Total outstanding dues of micro enterprises and small enterprises		45.07	59.18	5.44
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		217.90	175.29	134.30
(iv) Other financial liabilities	15.3	17.16	13.65	58.86
(b) Other current liabilities	16	1.11	35.29	0.50
(c) Provisions	17	0.68	0.04	0.04
(d) Current tax liabilities (net)	18	71.94	22.66	0.76
		<b>627.26</b>	<b>736.79</b>	<b>582.08</b>
		<b>4,809.80</b>	<b>4,016.10</b>	<b>3,030.44</b>
<b>TOTAL EQUITY AND LIABILITIES</b>				
Summary of significant accounting policies	V			

Note: The above statement should be read with the Significant Accounting Policies forming part of the Restated Financial Information in Annexure V, Statement of Adjustments to Restated Financial Information in Annexure VI and Notes to Restated Financial Information in Annexure VII.

As per our examination report of even date attached

<p>For M.Anandam &amp; Co., Chartered Accountants ICAI Firm registration number: 0001255</p>	<p>For and on behalf of the Board of Directors Balaji Speciality Chemicals Limited</p>	
<p>M V Ranganath Partner Membership Number: 028031  Place: Hyderabad Date: July 05, 2023</p>	<p>N. Rajeshwar Reddy Managing Director DIN : 00003854  Place: Hyderabad Date: July 05, 2023</p>	<p>G. Hemanth Reddy Wholtime Director DIN : 00003868  Place: Hyderabad Date: July 05, 2023</p>
	<p>B. Srinivas Company Secretary Membership Number: 67430  Place: Solapur Date: July 05, 2023</p>	<p>PardeepSingh RameshSingh Watwani Chief Financial Officer ABSPW1999F  Place: Solapur Date: July 05, 2023</p>

<b>BALAJI SPECIALITY CHEMICALS LIMITED (Formerly known as BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED)</b>				
<b>Annexure II</b>				
<b>Restated Statement of Profit and Loss</b>				
<i>(All amounts are in rupees in millions, except share data or otherwise stated)</i>				
<b>Particulars</b>	<b>Note No. Annexure VII</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
<b>INCOME</b>				
Revenue from operations	19	7,912.28	5,142.80	1,744.01
Other income	20	75.07	17.62	14.77
<b>Total Income</b>		<b>7,987.35</b>	<b>5,160.42</b>	<b>1,758.78</b>
<b>EXPENSES</b>				
Cost of materials consumed	21	4,080.71	2,641.29	1,002.81
Changes in inventories of finished goods and work-in-progress	22	(52.88)	(12.50)	19.13
Employee benefits expense	23	49.38	32.24	22.16
Finance costs	24	101.91	154.93	190.02
Depreciation and amortisation expenses	25	143.69	128.35	110.68
Other expenses	26	1,050.17	675.57	261.54
<b>Total expenses</b>		<b>5,372.98</b>	<b>3,619.88</b>	<b>1,606.34</b>
<b>Profit/(loss) before tax</b>		<b>2,614.37</b>	<b>1,540.54</b>	<b>152.44</b>
<b>Tax expenses:</b>	27			
Current tax		749.32	271.07	15.33
Deferred tax		74.12	180.02	33.16
Tax expense relating to earlier years		9.57	-	-
<b>Total tax expense</b>		<b>833.01</b>	<b>451.09</b>	<b>48.49</b>
<b>Profit/(Loss) for the year</b>		<b>1,781.36</b>	<b>1,089.45</b>	<b>103.95</b>
<b>Other comprehensive income (OCI)</b>				
Items that will not be reclassified to profit or loss				
i. Re-measurement gains/ (losses) of post-employment defined benefit plans		(0.92)	0.03	0.05
ii. Income tax related to above		0.27	(0.01)	(0.01)
<b>Other comprehensive income (OCI) for the year (net of tax)</b>		<b>(0.65)</b>	<b>0.02</b>	<b>0.04</b>
<b>Total comprehensive income for the year</b>		<b>1,780.71</b>	<b>1,089.47</b>	<b>103.99</b>
<b>Earnings per equity share (Face value of Rs 2 each)</b>	28			
1. Basic (Rs)		8.91	5.45	0.52
2. Diluted (Rs)		8.91	5.45	0.52
Summary of significant accounting policies	V			
Note: The above statement should be read with the Significant Accounting Policies forming part of the Restated Financial Information in Annexure V, Statement of Adjustments to Restated Financial Information in Annexure VI and Notes to Restated Financial Information in Annexure VII.				
As per our examination report of even date attached				
For M.Anandam & Co., Chartered Accountants ICAI Firm registration number: 0001255		For and on behalf of the Board of Directors Balaji Speciality Chemicals Limited		
M V Ranganath Partner Membership Number: 028031	N. Rajeshwar Reddy Managing Director DIN : 00003854	G. Hemanth Reddy Wholetime Director DIN : 00003868		
Place: Hyderabad Date: July 05, 2023	Place: Hyderabad Date: July 05, 2023	Place: Hyderabad Date: July 05, 2023		
	B. Srinivas Company Secretary Membership Number: 67430	PardeepSingh RameshSingh Watwani Chief Financial Officer ABSPW1999F		
	Place: Solapur Date: July 05, 2023	Place: Solapur Date: July 05, 2023		



<b>BALAJI SPECIALITY CHEMICALS LIMITED (Formerly known as BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED)</b>			
<b>Annexure III</b>			
<b>Restated Statement of Cash Flows</b>			
<i>(All amounts are in rupees in millions, except share data or otherwise stated)</i>			
<b>Particulars</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before tax:	2,614.37	1,540.54	152.44
<b>Adjustments for:</b>			
Depreciation and Amortisation Expenses	143.69	128.35	110.68
Interest on borrowings	86.75	146.93	185.33
Interest expense on lease liabilities	0.18	0.01	0.01
Interest income	(7.39)	(1.30)	(0.92)
Liabilities written back	(4.31)	-	(7.24)
Unrealised Gain On Mutual Fund	(2.09)	-	-
<b>Operating cash flows before working capital adjustments</b>	<b>2,831.20</b>	<b>1,814.53</b>	<b>440.30</b>
<b>Adjustments for working capital :</b>			
(Increase) / decrease in Inventories	(135.76)	(57.94)	4.13
(Increase)/ decrease in Trade receivables	383.46	(1,170.02)	(53.75)
(Increase) / decrease in Financial assets other than trade receivables	(179.01)	4.03	(3.51)
(Increase) / decrease in Other assets	139.85	97.67	(74.20)
Increase/ (decrease) in Trade payables	28.50	94.73	(56.89)
Increase / (decrease) in other financial liabilities	4.66	(44.97)	(31.90)
Increase / (decrease) in provisions	(1.80)	0.66	0.75
Increase / (decrease) in other liabilities	(54.36)	49.85	(26.67)
	<b>3,016.74</b>	<b>788.54</b>	<b>198.26</b>
Income tax paid	(707.25)	(246.39)	(14.00)
<b>NET CASH FLOW GENERATED FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>2,309.49</b>	<b>542.15</b>	<b>184.26</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	(42.54)	(3.92)	(0.42)
(Increase) / decrease in Capital work-in-progress	(394.90)	-	0.06
Purchase of Investments designated at FVTPL	(101.28)	-	-
Interest income on deposits and others	11.70	1.34	1.37
<b>NET CASH FLOW GENERATED FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>(527.02)</b>	<b>(2.58)</b>	<b>1.01</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from non-current borrowings	-	120.00	343.44
Repayment from non-current borrowings	(932.71)	(546.23)	(253.13)
(Repayment) / proceeds from current borrowings (Net)	(157.91)	48.46	(81.69)
Interest paid	(87.90)	(147.17)	(189.22)
Expenses in relation to IPO	(66.42)	-	-
Repayment of lease liabilities	(0.71)	(0.06)	(0.06)
<b>NET CASH FLOW GENERATED FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>(1,245.65)</b>	<b>(525.00)</b>	<b>(180.66)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>536.82</b>	<b>14.57</b>	<b>4.61</b>
Cash and cash equivalents at the beginning of the year	34.12	19.55	14.94
<b>Cash and cash equivalents at the end of the year</b>	<b>570.94</b>	<b>34.12</b>	<b>19.55</b>
<b>Reconciliation of Cash and Cash equivalents with the Balance Sheet</b>			
<b>Cash and Bank Balances as per Balance Sheet</b>			
Balance with banks			
- in current accounts	91.89	25.09	19.54
- Debit balance in cash credit accounts	66.48	8.99	-
- Term Deposits less than three months	412.57	-	-
Cash on hand	-	0.04	0.01
<b>Cash and cash equivalents at the end of the year</b>	<b>570.94</b>	<b>34.12</b>	<b>19.55</b>
<b>Notes :</b>			
The above Restated Statement of Cash flows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7 - "Statement of Cash Flows".			
As per our examination report of even date attached			
For M.Anandam & co., Chartered Accountants ICAI Firm registration number: 0001255	For and on behalf of the Board of Directors Balaji Speciality Chemicals Limited		
M V Ranganath Partner Membership Number: 028031	N. Rajeshwar Reddy Managing Director DIN : 00003854	G. Hemanth Reddy Wholtime Director DIN : 00003868	
Place: Hyderabad Date: July 05, 2023	Place: Hyderabad Date: July 05, 2023	Place: Hyderabad Date: July 05, 2023	
	B. Srinivas Company Secretary Membership Number: 67430	PardeepSingh RameshSingh Watwani Chief Financial Officer ABSPW1999F	
	Place: Solapur Date: July 05, 2023	Place: Solapur Date: July 05, 2023	

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

**Annexure IV**

**Restated Statement of Changes in Equity**

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

**Equity Share Capital:**

Particulars	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Balance at the beginning of the reporting period/year	20,00,00,000	400.00	4,00,00,000	400.00	4,00,00,000	400.00
Add: Changes in equity share capital due to prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the period/year	20,00,00,000	400.00	4,00,00,000	400.00	4,00,00,000	400.00
Increase in shares on account of subdivision*	-	-	16,00,00,000	-	-	-
Balance outstanding at the end of the period/year	20,00,00,000	400.00	20,00,00,000	400.00	4,00,00,000	400.00

\* The Company has only one class of equity shares having a par value of Rs. 2 per share (March 31, 2022).

During the year ended March 31, 2022, pursuant to the special resolution passed in the extra-ordinary general meeting held on February 26, 2022, the equity shares of the Company having face value of ₹10 each were subdivided into five equity shares having a face value of ₹2 each. Accordingly, 4,00,00,000 equity shares of face value of Rs.10 each were subdivided into 20,00,00,000 equity shares of face value of Rs.2 each.

**Other Equity:**

Particulars	Reserves and surplus		Total
	Securities premium	Retained earnings	
<b>Balance as at April 01, 2020</b>	<b>440.00</b>	<b>(158.67)</b>	<b>281.33</b>
Profit/ (loss) for the year	-	103.95	103.95
Remeasurement of defined benefit obligation, net of tax	-	0.04	0.04
Total comprehensive income	-	103.99	103.99
<b>Balance as at March 31, 2021</b>	<b>440.00</b>	<b>(54.68)</b>	<b>385.32</b>
Profit/ (loss) for the year	-	1,089.45	1,089.45
Remeasurement of defined benefit obligation, net of tax	-	0.02	0.02
Total comprehensive income	-	1,089.47	1,089.47
<b>Balance as at March 31, 2022</b>	<b>440.00</b>	<b>1,034.79</b>	<b>1,474.79</b>
Profit/ (loss) for the period	-	1,781.36	1,781.36
Remeasurement of defined benefit obligation, net of tax	-	(0.65)	(0.65)
Total comprehensive income	-	1,780.71	1,780.71
<b>Balance as at March 31, 2023</b>	<b>440.00</b>	<b>2,815.50</b>	<b>3,255.50</b>

**Notes:**

Refer note no. 11 for description of the nature and purpose of each reserve within other equity.

As per our examination report of even date attached

For M.Anandam & co.,

Chartered Accountants

ICAI Firm registration number: 0001255

For and on behalf of the Board of Directors

Balaji Speciality Chemicals Limited

M V Ranganath  
Partner  
Membership Number: 028031

N. Rajeshwar Reddy  
Managing Director  
DIN : 00003854

G. Hemanth Reddy  
Wholetime Director  
DIN : 00003868

Place: Hyderabad  
Date: July 05, 2023

Place: Hyderabad  
Date: July 05, 2023

Place: Hyderabad  
Date: July 05, 2023

B. Srinivas  
Company Secretary  
Membership Number: 67430

PardeepSingh RameshSingh Watwani  
Chief Financial Officer  
ABSPW1999F

Place: Solapur  
Date: July 05, 2023

Place: Solapur  
Date: July 05, 2023

**BALAJI SPECIALITY CHEMICALS LIMITED (Formerly known as BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED)****Annexure V****Summary of Significant Accounting Policies***(All amounts are in rupees in millions, except share data or otherwise stated)***1 Corporate Information**

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

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

**2 Basis of preparation and measurement****(i) Statement of compliance & Basis of preparation**

The Restated Balance sheet as at March 31, 2023, March 31, 2022 and March 31, 2021 and the Restated Statement of Profit and Loss (including Other Comprehensive income), the Restated Statement of Changes in Equity and the Restated Statement of Cash flows for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 and Other restated financial information (together referred to as "Restated Financial Information") have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, notified under section 133 of the Companies Act, 2013, ("Act") and other relevant provisions of the Act.

The Special Purpose Financial Statements for the year ended March 31, 2022 were re-audited by us pursuant to the Clause 11 of the Schedule VI - Disclosures in the Draft red herring prospectus, red herring prospectus and prospectus under "The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 which forms the basis for Restated Financial Information.

The Restated Financial Information have been prepared on a going concern basis. The accounting policies are applied consistently to all the periods presented in the Restated Financial Information 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 Restated Financial Information has been prepared for inclusion in an Addendum to the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus (collectively referred to as "Offer Documents") to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), BSE, NSE and the registrar of companies, as applicable, in connection with proposed Initial Public Offering of its equity shares, in accordance with the requirements of:

- Section 26 of part I of Chapter III of the Act;
- relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, issued by the Securities and Exchange Board of India ("SEBI"); and

- Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI").

The Restated Financial Information has been compiled by the Management from the Special Purpose Financial Statements for respective years and

- there were no changes in accounting policies during the year of these financial statements;
- there were no material amounts which have been adjusted for in arriving at profit of the respective periods; and
- there were no material adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial statements of the Company as at and for the year ended March 31, 2023 and the requirements of the The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

The Restated Financial Information were approved by the Board of Directors and authorised for issue on 05th July 2023.

**(ii) Functional and presentation currency**

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

**(iii) Basis of measurement**

The Restated Financial Information have been prepared on the historical cost basis except for the following items:

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

**(iv) Use of estimates and judgements**

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

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

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

**Assumptions and estimation uncertainties**

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

- Note 1 - determining an asset's expected useful life and the expected residual value at the end of its life;
- Note 7 - Impairment of financial assets;
- Note 31(c) - measurement of defined benefit obligations: key actuarial assumptions;
- Notes 34 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

**Measurement of fair values**

Company accounting 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 that the transaction to sell the asset or transfer the liability takes place either:

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.

Further information about the assumptions made in the measuring fair values is included in the following notes:

- Note 34 - Financial instruments and risk management

Annexure V

Summary of Significant Accounting Policies

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

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

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

**Assets**

An asset is classified as a current when:

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

**Liabilities**

A liability is classified as a current when:

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

**Operating Cycle**

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

**3 Summary of significant accounting policies**

**A • Revenue recognition**

(i) Revenue from contract with customers

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

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

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

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

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

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

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

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

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

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

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

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

**C • Capital work-in-progress**

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

**D • Depreciation**

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

**E • Investments**

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

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

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

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

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

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

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

Annexure V

Summary of Significant Accounting Policies

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

**G • Leases**

**As a Lessee:**

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

(1) The Contract involves the use of an identified 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.

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

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

**As a Lessor:**

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

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

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

**H • Employee benefits:**

**Short-term employee benefits**

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

**Other long-term employee benefit obligations**

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

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

**Defined benefit plan - Gratuity obligation**

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

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

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

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

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

**Defined contribution plans**

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

**I • Tax expenses**

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

Tax expense for the year comprises current and deferred tax.

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

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

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

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

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

**J • Inventories**

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

Annexure V

Summary of Significant Accounting Policies

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

**K • Borrowing Costs**

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

**L • Foreign Currency Transactions**

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

**M • Impairment of Assets**

(i). Impairment of financial instruments

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

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

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

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

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

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

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

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

Measurement of expected credit losses

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

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

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

Impairment of non-financial assets

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

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

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

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

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

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

**N • Earnings Per Share**

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

**O • Financial instruments**

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

**(i) Initial measurement and recognition**

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

**(ii) Classification and subsequent measurement**

**Financial assets**

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

**Subsequent measurement**

For the purpose of subsequent measurement, financial assets are categorised as under:

- amortised cost;
- Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
- Fair Value Through Profit or Loss (FVTPL)

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

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

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

**Financial Liabilities:**

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

**Derecognition - Financial assets**

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

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

**Derecognition - Financial liabilities**

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

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

**Financial Instruments Offsetting**

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

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

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

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

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

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

Ministry of Corporate Affairs ("MCA") notifies new 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 Company has evaluated the amendment and the impact of the amendment is insignificant in the 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 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 financial statements.

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

**Annexure VI - Statement of Adjustments to Restated Financial Information**

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

**Part A: Statement of restatement adjustments**

Summarised below are the restatement adjustments made to the profit after tax of the Audited Financial Statements for the Year ended March 31, 2023 and years ended March 31, 2022 and March 31, 2021 and their consequential impact on the profit/ (loss) of the Company:

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Profit/(Loss) for the period/year as per audited financial statements		1,781.36	1,099.60	117.85
<b>Adjustments</b>				
<b>Material restatement adjustments:</b>				
<b>(i) Audit qualifications</b>		-	-	-
<b>Total</b>		-	-	-
<b>(ii) Adjustments due to prior period items / other adjustments</b>				
Restatement of foreign currency bank balance as per Ind AS 21	1	-	-	(0.20)
Recognition of remeasurement of employee defined benefit plans as per Ind AS 19	2	-	(0.63)	(0.91)
Adjustments to revenue as per Ind AS 115	3	-	(13.56)	(13.78)
Preliminary Expenses written off as per Ind AS 38	4	-	3.26	1.09
Tax expense relating to earlier years	5	-	15.33	(15.33)
Recognition of MAT shown under deferred tax	6	-	(13.28)	15.33
<b>Total</b>		-	<b>(8.88)</b>	<b>(13.80)</b>
<b>(iii) Deferred tax impact on adjustments in (i) and (ii), as applicable</b>				
Deferred tax impact on restatement adjustments	6	-	(1.27)	(0.10)
<b>Profit/ (Loss) for the year as per Restated Financial Information</b>		<b>1,781.36</b>	<b>1,089.45</b>	<b>103.95</b>

Summarised below are the restatement adjustments made to the equity of the Audited Financial Statements for the Year ended March 31, 2023 and years ended March 31, 2022 and March 31, 2021 and their consequential impact on the equity:

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Total Equity as per audited financial statements		3,655.50	1,901.95	802.35
<b>Adjustments</b>				
<b>Material restatement adjustments:</b>				
<b>(i) Audit qualifications</b>		-	-	-
<b>Total</b>		-	-	-
<b>(ii) Adjustments due to prior period items / other adjustments</b>				
Restatement of foreign currency bank balance as per Ind AS 21	1	-	-	(0.01)
Recognition of remeasurement of employee defined benefit plans as per Ind AS 19	2	-	(1.87)	(1.27)
Adjustments to revenue as per Ind AS 115	3	-	(27.34)	(13.78)
Preliminary Expenses written off as per Ind AS 38	4	-	(0.00)	(3.27)
Tax expense relating to earlier years	5	-	-	(15.33)
Recognition of MAT shown under deferred tax	6	-	2.05	15.33
<b>Total</b>		-	<b>(27.16)</b>	<b>(18.32)</b>
<b>(iii) Deferred tax impact on adjustments in (i) and (ii), as applicable</b>				
Deferred tax impact on restatement adjustments	6	-	-	1.28
<b>Total equity as per Restated Financial Information</b>		<b>3,655.50</b>	<b>1,874.79</b>	<b>785.32</b>

**Note : 1 Restatement of bank balances held in foreign currency**

The closing balance available in HDFC EEFC bank account has been restated as per Ind AS 23 - "The Effects of Changes in Foreign Exchange Rates".

**Note : 2 Provision for gratuity and leave encashment**

Provision for gratuity and leave encashment are created as per the Actuarial Valuation reports in the Restated Financial Information.

**Note : 3 Adjustments on account of Sales-in-transit**

Recognised sales-in-transit where the control of goods sold is not passed on to the customers as at the end of period or year in the Restated Financial Information in line with Ind AS 115.

**Note : 4 Preliminary Expenses**

In the Restated Financial Information, preliminary expenses are charged to revenue in FY 2019-20.

**Note : 5 Tax expense relating to earlier years**

During the financial year ended March 31, 2021, the Company has not made the provision for tax of Rs.15.33 million in the books relying on the judicial precedent of Hon.Karnataka High Court in the case of Best Trading and Agencies Ltd., 119 Taxmann.com 129. Further the same is accounted as expense in the financial year ended March 31, 2022. As a part of the restatement adjustments, the tax amount relating to FY 2020-21 is accounted in that year itself.

**Note : 6 Deferred Tax**

MAT credit entitlement has been created in the Restated Financial Information. Deferred tax has been computed on adjustments made as detailed above and have been adjusted in the Restated Financial Information.

**Note : 7 Material regrouping : None**

Appropriate regroupings, have been made in the Restated Balance Sheet, Restated Statement of Profit & Loss and Restated Statement of Cashflows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cashflows, in order to bring them in line with the accounting policies and classification as per Ind AS financial information of the Company for the period ended March 31, 2023 prepared in accordance with Schedule III of the Companies Act, 2013, requirements of Ind AS 1 and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations 2018, as amended.



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

**Annexure VI - Statement of Adjustments to Restated Financial Information**

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

**Part B : Non-adjusting items:**

**Audit Qualifications in Annexure to Auditors' Report, which do not require any corrective adjustments in the Restated Financial Information**

In addition to the audit opinion on the financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2016/Companies (Auditor's Report) Order, 2020 ("the CARO 2016 Order"/"the CARO 2020 Order") as applicable issued by the Central Government of India under sub-section (11) of Section 143 of Companies Act, 2013 on the financial statements as at and for the financial years ended March 31, 2021, March 31, 2022 and March 31, 2023 respectively. Certain statements/comments included in the CARO in the financial statements, which do not require any adjustments in the Restated Financial Information are reproduced below in respect of the financial statements prepared.

**For the year ended March 31, 2023**

**Clause (vii) (b) of CARO 2020 Order**

According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no dues of Income-tax, Goods and Services Tax, which have not been deposited with appropriate authorities on account of any dispute except for the below:

Nature of dues	Name of the statute	Amount	Period to which the amount relates	Forum where the dispute is pending
TDS on payments made to foreign companies / Non-resident	Income Tax	2.14	2017-18	CIT ( Appeals )
TDS on payments made to foreign companies / Non-resident	Income Tax	3.51	2018-19	CIT ( Appeals )

**For the year ended March 31, 2022**

**Clause (ii) (b) of CARO 2020 Order**

The Company has been sanctioned working capital limits in the excess of Rs.5 crore, in aggregate, from banks or financial institutions on the basis of security of current assets. As per the records produced before us, the quarterly statements filed by the Company with the bank are in agreement with the books of accounts of the Company for Quarter 3. However, in respect of Quarter 4, quarterly statements are yet to be filed with the banks. Further, refer Additional Regulatory Information disclosure point no.15 of financial statements for discrepancies found in Quarter 1 and 2.

Discrepancies found in Quarter 1 and 2 are given below:

Particulars	June 30, 2021	September 30, 2021
Name of the bank	HDFC bank	HDFC bank
Particulars of securities provided	Inventory	Inventory
Amount as per books of account	1254	1698
Amount as reported in the quarterly return/statement	1232	1701
Amount of difference	23	(3.00)
Reason for material discrepancies	Change in the value of inventory during finalising quarterly statements	

**Clause (vii) (b) of CARO 2020 Order**

According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no dues of Income-tax, Goods and Services Tax, which have not been deposited with appropriate authorities on account of any dispute except for the below:

Nature of dues	Name of the statute	Amount	Period to which the amount relates	Forum where the dispute is pending
TDS on payments made to foreign companies / Non-resident	Income Tax	2.14	2017-18	CIT ( Appeals )
TDS on payments made to foreign companies / Non-resident	Income Tax	3.51	2018-19	CIT ( Appeals )

**For the year ended March 31, 2021**

**Clause (vii) (b) of CARO 2016 Order**

According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no dues of Income-tax, Goods and Services Tax, which have not been deposited with appropriate authorities on account of any dispute except for the below:

Nature of dues	Name of the statute	Amount	Period to which the amount relates	Forum where the dispute is pending
TDS on payments made to foreign companies / Non-resident	Income Tax	2.14	2017-18	CIT ( Appeals )

As per our examination report of even date attached

For M.Anandam & Co.,  
Chartered Accountants  
ICAI Firm registration number: 000125S

For and on behalf of the Board of Directors  
Balaji Speciality Chemicals Limited

M V Ranganath  
Partner  
Membership Number: 028031

N. Rajeshwar Reddy  
Managing Director  
DIN : 00003854

G. Hemanth Reddy  
Wholetime Director  
DIN : 00003868

Place: Hyderabad  
Date: July 05, 2023

Place: Hyderabad  
Date: July 05, 2023

Place: Hyderabad  
Date: July 05, 2023

B. Srinivas  
Company Secretary  
Membership Number: 67430

PardeepSingh RameshSingh Watwani  
Chief Financial Officer  
ABSPW1999F

Place: Solapur  
Date: July 05, 2023

Place: Solapur  
Date: July 05, 2023

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

**Annexure VII Notes to Restated Financial Information**

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

**1. Property, Plant and Equipment**

Description	Freehold land	Leasehold improvements	Buildings	Leasehold land	Plant and machinery	Furniture and fixtures	Office equipment	Computers	Total
Cost as at March 31, 2020 (A)	-	5.49	287.85	8.43	1,884.27	0.90	0.26	0.37	2,187.57
Additions	-	-	-	-	0.35	-	-	0.07	0.42
Disposals/adjustments	-	-	-	-	-	-	-	-	-
Cost as at March 31, 2021 (C)	-	5.49	287.85	8.43	1,884.62	0.90	0.26	0.44	2,187.99
Additions	-	0.12	-	-	3.77	-	-	0.03	3.92
Disposals/adjustments	-	-	-	-	-	-	-	-	-
Cost as at March 31, 2022 (E)	-	5.61	287.85	8.43	1,888.39	0.90	0.26	0.47	2,191.91
Additions	41.20	-	-	0.87	-	-	0.28	0.19	42.54
Disposals/adjustments	-	-	-	-	-	-	-	-	-
Cost as at March 31, 2023 (G)	41.20	5.61	287.85	9.30	1,888.39	0.90	0.54	0.66	2,234.45
Accumulated depreciation as at March 31, 2020 (B)	-	0.27	7.24	0.10	66.56	0.07	0.04	0.09	74.37
Depreciation for the year	-	0.35	9.12	0.10	100.82	0.09	0.05	0.12	110.63
Disposals/adjustments	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2021 (D)	-	0.62	16.36	0.20	167.38	0.16	0.09	0.21	185.00
Depreciation for the year	-	0.35	9.12	0.10	118.46	0.10	0.04	0.14	128.30
Disposals/adjustments	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2022 (F)	-	0.97	25.47	0.30	285.83	0.26	0.13	0.35	313.30
Depreciation for the period/year	-	0.36	9.12	0.10	133.28	0.09	0.08	0.09	143.12
Disposals/adjustments	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2023 (H)	-	1.33	34.59	0.40	419.11	0.35	0.21	0.44	456.42
Net carrying amount as at March 31, 2021 (C)- (D)	-	4.88	271.49	8.23	1,717.24	0.74	0.17	0.23	2,002.99
Net carrying amount as at March 31, 2022 (E)- (F)	-	4.65	262.38	8.13	1,602.57	0.64	0.13	0.12	1,878.61
Net carrying amount as at March 31, 2023 (G)- (H)	41.20	4.29	253.26	8.90	1,469.28	0.55	0.33	0.22	1,778.03

1. Refer to note 30 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

2. Refer to note 12 and 15 for details of property plant and equipment subject to charges on secured borrowings.

**Capital work-in-progress (CWIP):**

Description	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	-	-	-
Additions during the year	394.90	-	-
Less: Capitalised	-	-	-
Balance at the end of the year	394.90	-	-

**Capital work-in-progress (CWIP) ageing schedule:**

As at March 31, 2023

Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
Projects in progress	394.90	-	-	-	394.90

**Capital work-in-progress (CWIP):**

As at March 31, 2022

Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
Projects in progress	-	-	-	-	-

**Capital work-in-progress (CWIP):**

As at March 31, 2021

Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
Projects in progress	-	-	-	-	-

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

**Annexure VII Notes to Restated Financial Information**

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

**2.1. Right-of-use asset (ROU)**

The Company has lease contracts for its registered office building at Solapur and an office space at Hyderabad used for its operations. The company's obligations under its leases are secured by the lessor's title to the leased assets.

**(i) Movement in Right of use assets and Lease liabilities is given below:**

Description	Office Building
<b>Cost as at March 31, 2020 (A)</b>	0.11
Additions	-
Deletions/ Adjustments	-
<b>Cost as at March 31, 2021 (C)</b>	0.11
Additions	0.15
Deletions/ Adjustments	(0.11)
<b>Cost as at March 31, 2022 (E)</b>	0.15
Additions	1.87
Deletions/ Adjustments	0.11
<b>Cost as at March 31, 2023 (G)</b>	2.13
<b>Accumulated Depreciation as at March 31, 2020 (B)</b>	0.05
Depreciation for the year	0.05
Deletions/ Adjustments	-
<b>Accumulated Depreciation as at March 31, 2021 (D)</b>	0.10
Depreciation for the year	0.05
Deletions/ Adjustments	(0.11)
<b>Accumulated Depreciation as at March 31, 2022 (F)</b>	0.04
Depreciation for the period	0.58
Deletions/ Adjustments	0.11
<b>Accumulated Depreciation as at March 31, 2023 (H)</b>	0.73
Right to use asset as at April 1, 2019	-
<b>Net carrying amount as at March 31, 2021 (C)- (D)</b>	0.01
<b>Net carrying amount as at March 31, 2022 (E)- (F)</b>	0.11
<b>Net carrying amount as at March 31, 2023 (G)- (H)</b>	1.40

The aggregate amortization expense on ROU assets is shown under depreciation and amortisation expenses in the Restated Statement of Profit and Loss.

Set out below are the carrying amounts of lease liabilities and the movements during the year:

**(i) Lease liabilities included in the Restated Balance Sheet:**

Particulars	As at		
	March 31, 2023	March 31, 2022	March 31, 2021
Opening Balance	0.11	0.01	0.06
Additions during the period/year	1.89	0.15	-
Disposal during the period/year	-	-	-
Accretion of interest	0.18	0.01	0.01
Payment of lease liabilities	(0.71)	(0.06)	(0.06)
Closing Balance	1.47	0.11	0.01

**2.2. Lease Liabilities**

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Current lease liabilities	0.68	0.05	0.01
Non-current lease liabilities	0.79	0.06	-
Closing Balance	1.47	0.11	0.01

**(ii) Payments recognised as expense**

Particulars	Period/Year ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Short term leases and low value assets	-	-	-

**(iii) Contractual maturities of lease liabilities on undiscounted basis**

Particulars	As at		
	March 31, 2023	March 31, 2022	March 31, 2021
Less than one year	0.78	0.06	0.06
One to five years	0.85	0.07	0.13
More than five years	-	-	-
<b>Total</b>	<b>1.63</b>	<b>0.13</b>	<b>0.19</b>

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

Particulars	As at	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2021
<b>3. Other non-current financial assets</b>			
Margin money deposits with banks against bank guarantees	5.45	7.54	7.06
Security deposits	11.65	11.49	11.49
<b>Total</b>	<b>17.10</b>	<b>19.03</b>	<b>18.55</b>
<b>4.1. Deferred tax assets (net)</b>			
<b>Deferred tax assets</b>			<b>227.39</b>
(a) Carry forward losses under Income Tax Act	-	-	212.05
(b) Unused tax credits	-	-	15.34
<b>Deferred tax liabilities</b>			<b>196.55</b>
Depreciation and amortisation expenses	-	-	196.55
<b>Deferred tax assets (net)</b>			<b>30.84</b>
<b>4.2. Deferred tax liabilities (net)</b>			
<b>Deferred tax liabilities</b>	223.64	216.41	-
Depreciation and amortisation expenses	223.64	216.41	-
<b>Deferred tax assets</b>	0.59	67.22	-
(a) Carry forward losses under Income Tax Act	0.59	0.63	-
(b) Unused tax credits	0.00	66.59	-
<b>Deferred tax liabilities (net)</b>	<b>223.05</b>	<b>149.19</b>	<b>-</b>
<b>5. Other non-current assets</b>			
Unsecured, considered good			
Capital advances	13.25	-	-
Taxes paid under protest	1.13	1.13	-
<b>Total</b>	<b>14.38</b>	<b>1.13</b>	<b>-</b>
<b>6. Inventories</b>			
<b>(Valued at cost or Net Realisable Value whichever is lower)</b>			
Raw materials (includes goods-in-transit - FY 22-23 Rs. 7.36 millions, FY 21-22 Rs. 22.24 millions, FY 20-21 & Rs. 13.80 millions)	142.05	58.74	29.03
Work-in-progress	23.16	31.26	-
Finished goods (includes sales-in-transit - FY 22-23 Rs. 31.64 millions, FY 21-22 Rs. 22.76 millions, FY 20-21 Rs. 21.98 millions)	154.49	93.49	112.25
Stores and spares	24.92	23.46	6.55
Packing materials	6.48	10.02	8.70
Consumables	4.70	3.07	5.57
<b>Total</b>	<b>355.80</b>	<b>220.04</b>	<b>162.10</b>
(For inventories secured against borrowings, refer note no.15.1 to the Restated Financial Statements)			
<b>7.1. Investment</b>			
- Investments in Mutual Funds - Unquoted			
- Designated at Fair Value Through Profit or Loss (FVTPL)			
- Investments - SBI Liquid Fund Direct Growth (29337.395 Units at NAV of Rs. 3,523.30 per unit; P.Y. NIL)	103.37	-	-
<b>Total</b>	<b>103.37</b>	<b>-</b>	<b>-</b>
<b>Aggregate amount of quoted investments</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Aggregate amount of unquoted investments</b>	<b>103.37</b>	<b>-</b>	<b>-</b>
<b>Aggregate amount of impairment in the value of investments</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>7.2. Trade receivables</b>			
- Unsecured, considered good*	1175.94	1559.40	389.38
	1175.94	1559.40	389.38
Less: Allowance for doubtful trade receivables (expected credit loss allowance)	-	-	-
<b>Total</b>	<b>1175.94</b>	<b>1559.40</b>	<b>389.38</b>

\* Includes amount receivable from related parties (refer note 33)

7.2.1 For Trade receivables secured against borrowings, refer note no. 15.1 to the Restated Financial Statements.

7.2.2 For Company's exposure to the market risk and credit risk, refer note no. 35 to the Restated Financial Statements.

7.2.3 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	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	951.18	224.76	-	-	-	-	1175.94
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>951.18</b>	<b>224.76</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1175.94</b>

# The Company has not accounted for expected losses as it has no defaults in payments from the customers in the earlier years.

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

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	1,206.98	352.42	-	-	-	-	1559.40
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>1206.98</b>	<b>352.42</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1559.40</b>

# 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, 2021

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	371.41	17.97	-	-	-	-	389.38
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>371.41</b>	<b>17.97</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>389.38</b>

# The Company has not accounted for expected losses as it has no defaults in payments from the customers in the earlier years.

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>7.3. Cash and cash equivalents</b>			
Balances with bank			
- in current accounts	91.89	25.09	19.54
- Debit balance in cash credit accounts	66.48	8.99	-
- Term deposits with original maturity less than three months (includes interest accrued)	412.57	0.00	-
Cash on hand	0.00	0.04	0.01
<b>Total</b>	<b>570.94</b>	<b>34.12</b>	<b>19.55</b>
<b>7.4. Bank balances other than Cash and cash equivalents</b>			
Balances with banks			
-Term deposits with original maturity between three to twelve months (includes interest accrued)	180.94	-	-
<b>Earmarked balances with banks</b>			
-Margin money deposit accounts	0.23	0.22	0.32
<b>Total</b>	<b>181.17</b>	<b>0.22</b>	<b>0.32</b>
<b>7.5. Other current financial assets</b>			
Interest accrued on bank deposits and others	0.43	0.43	0.48
Others	-	-	-
Export Credit Receivable	-	-	3.94
<b>Total</b>	<b>0.43</b>	<b>0.43</b>	<b>4.41</b>
<b>8. Current tax assets (net)</b>			
Advance tax (net of provision for tax)	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9. Other current assets</b>			
Advances to Suppliers	11.52	153.68	107.42
Prepaid expenses	34.43	2.78	1.44
GST Input and Refund Receivable	71.17	146.55	293.42
Advance for IPO Expenses*	66.42	-	-
Incentive receivable from government	32.80	-	-
<b>Total</b>	<b>216.34</b>	<b>303.01</b>	<b>402.29</b>
* Represents amount spent towards Intial Public Offer (IPO) pending as at the end of the year.			
<b>10. Equity share capital</b>			
<b>Authorized</b>			
22,50,00,000 equity shares of Rs. 2/- each, fully paid-up	450.00	450.00	450.00
(P.Y. As at March 31, 2021 - 4,50,00,000 equity shares of Rs. 10/- each, fully paid-up)			
<b>Issued, subscribed and fully paid-up</b>			
20,00,00,000 equity shares of Rs. 2/- each, fully paid-up	400.00	400.00	400.00
(P.Y. As at March 31, 2021 - 4,00,00,000 equity shares of Rs. 10/- each, fully paid-up)			
<b>Total</b>	<b>400.00</b>	<b>400.00</b>	<b>400.00</b>

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

**i) Movement in equity share capital**

Particulars	Number of shares	Amount
Balance as at March 31, 2020	4,00,00,000	400
Movement during the year	-	-
Balance as at March 31, 2021	4,00,00,000	400
Increase on account of subdivision of shares (Refer note below)	16,00,00,000	-
Balance as at March 31, 2022	20,00,00,000	400
Movement during the period	-	-
Balance as at March 31, 2023	20,00,00,000	400

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

iii) The Company has only one class of equity shares having a par value of Rs. 2 per share (P.Y Rs. 10/- each). During the year ended March 31, 2022, pursuant to the special resolution passed in the extra-ordinary general meeting held on February 26, 2022, equity share of the Company having face value of ₹10 each were subdivided into five equity shares having a face value of ₹2 each. Accordingly, the authorised share capital is changed to 22,50,00,000 equity shares of Rs.2 each and issued, subscribed and fully paid-up capital is changed to 20,00,00,000 equity shares of Rs.2 each. Hence, 4,00,00,000 Equity Shares of Rs. 10 per share outstanding as on March 31, 2021 were subdivided into 20,00,00,000 Equity Shares of Rs. 2 per share outstanding as on March 31, 2022 & March 31, 2023. The earnings per share in respect of current and previous years has been restated considering the aforesaid sub division of shares.

**iv) Shares held by shareholders holding more than 5% in the Company**

As at March 31, 2023

Name of the shareholder	No. of Shares	% holding
Balaji Amines Limited - Holding company	11,00,00,000	55.00%
Ande Srinivas Reddy	1,73,48,200	8.67%
Ande Prathap Reddy	1,25,75,500	6.29%

As at March 31, 2022

Name of the shareholder	No. of Shares	% holding
Balaji Amines Limited - Holding company	11,00,00,000	55.00%
Ande Srinivas Reddy	1,80,00,000	9.00%
Ande Prathap Reddy	1,35,00,000	6.75%

As at March 31, 2021

Name of the shareholder	No. of Shares	% holding
Balaji Amines Limited - Holding company	2,20,00,000	55.00%
Balaji Speciality Fine Chem Products Pvt. Ltd.	43,00,000	10.75%
Ande Srinivas Reddy	36,00,000	9.00%

**v) Terms/Rights attached to equity shares**

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

**vi) Shareholding of promoters**

As at March 31, 2023 (after subdivision of shares)

Name of the Promoter	No. of Shares	% holding	% of change during the year
Balaji Amines Limited - Holding company	11,00,00,000	55.00%	0.00%
A Srinivas Reddy	1,73,48,200	8.67%	(3.62%)
N Rajeshwar Reddy	57,55,400	2.88%	(9.79%)
D Ram Reddy	58,09,500	2.90%	(9.65%)
Ande Prathap Reddy	1,25,75,500	6.29%	(6.85%)
Hemanth Reddy Gaddam	42,14,495	2.11%	(8.38%)
	<b>15,57,03,095</b>	<b>77.85%</b>	

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

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

As at March 31, 2021

Name of the shareholder	No. of Shares	% holding	% of change during the year
Balaji Amines Limited - Holding company	2,20,00,000	55.00%	0.00%
A Srinivas Reddy	36,00,000	9.00%	0.00%
N Rajeshwar Reddy	12,80,000	3.20%	0.00%
D Ram Reddy	9,79,000	2.45%	0.00%
Ande Prathap Reddy	6,36,000	1.59%	0.00%
Hemanth Reddy Gaddam	4,03,959	1.01%	0.00%
	<b>2,88,98,959</b>	<b>79.45%</b>	

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Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>11. Other equity</b>			
<b>i) Securities premium</b>			
Balance at the commencement of the year	440.00	440.00	440.00
Add/Less: Movement during the year	-	-	-
Balance as at the end of the year	440.00	440.00	440.00
<b>ii) Retained earnings</b>			
Balance at the commencement of the year	1034.79	(54.68)	(158.67)
Add: Surplus as per statement of profit and loss	1781.36	1089.45	103.95
Restatement of lease liabilities - Ind AS 116 Transition Adjustment (net of taxes)	0.00	-	-
Remeasurement of defined benefit obligation, net of tax	(0.65)	0.02	0.04
Balance as at the end of the year	2815.50	1034.79	(54.68)
<b>Total Other equity (i+ii)</b>	<b>3,255.50</b>	<b>1,474.79</b>	<b>385.32</b>

\* During the year, the 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.

**Nature and purpose of reserve**

**A. Securities premium**

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

**B. Retained earnings**

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

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>12. Borrowings</b>			
<b>i) Secured term loans</b>			
- from Banks	303.03	575.74	848.49
<b>ii) Unsecured Loans</b>			
- from directors	-	-	40.00
- from holding company	-	660.00	773.48
	<b>303.03</b>	<b>1235.74</b>	<b>1661.97</b>

**i. Terms of secured loans from banks:**

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

**ii Security:**

The term loans from HDFC Bank Ltd and Bank of Baroda are secured by first charge on all movable and immovable fixed assets located at E-8/1, MIDC, Chincholi, Solapur, Maharashtra. Second pari passu charge on entire current assets of the company present and future.

They are also secured by Corporate Guarantee of M/s. Balaji Amines Limited, Holding company.

Financial Year	IDFC Bank Limited	HDFC Bank Limited	Bank of Baroda	Total
	ROI 8.50% p.a.	ROI 8.50% p.a.	ROI 8.50% p.a.	
2023-2024	90.91	90.91	90.90	272.72
2024-2025	53.02	90.91	53.04	196.97
2025-2026	-	90.91	-	90.91
2026-2027	-	15.15	-	15.15
<b>Total</b>	<b>143.93</b>	<b>287.88</b>	<b>143.94</b>	<b>575.75</b>

**iii. Terms of unsecured loans from others:**

The Company has availed unsecured loans from the directors and the holding company at interest rate of 7% p.a. Which was repaid in FY 2022

**iv. For the Company's exposure to the interest rate risk and liquidity risk, refer note no.35 to the Restated Financial Statements.**

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>13. Provisions (non-current)</b>			
Provision for gratuity	0.00	1.34	0.76
Provision for compensated leave encashment	0.17	0.36	0.31
<b>Total</b>	<b>0.17</b>	<b>1.70</b>	<b>1.07</b>

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>14. Other non-current liabilities</b>			
Deferred revenue export benefits	-	17.83	-
<b>Total</b>	<b>-</b>	<b>17.83</b>	<b>-</b>

The amount represents export benefit receivable under Advance License Scheme. Balance for the year ended March 31, 2022 represents, grants relating to Property, Plant and Equipment related to duty saved on import of capital goods and spares under Export Promotion Capital Goods (EPCG) Scheme. Under such scheme, the Company is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such commitments are not met, the Company would be required to pay the duty saved alongwith interest to the regulatory authorities.

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>15.1. Borrowings</b>			
Secured :			
Repayable on demand	-	157.91	109.45
Working capital loans from banks	272.72	272.72	272.72
Current maturities of long term debt	-	-	-
<b>Total</b>	<b>272.72</b>	<b>430.63</b>	<b>382.17</b>

The cash credit facilities/working capital loans which are obtained from HFDC Bank and SBI, are secured by hypothecation of stocks of raw materials, stock in process, finished goods , spares and book debts and second charge on property, plant and equipment . The above loans carry interest rate ranging from 8.80%p.a to 9.20%p.a.

For the Company's exposure to the interest rate risk and liquidity risk, refer note no.35 to the Restated Financial Statements.

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**15.1(a) Net Debt Reconciliation**

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Opening balance of borrowings</b>	1666.37	2044.14	2035.52
Proceeds from non-current borrowings	-	120.00	343.44
Repayment from from non-current borrowings	(932.71)	(546.23)	(253.13)
Proceeds/ (repayment) from current borrowings	(157.91)	48.46	(81.69)
<b>Closing balance of borrowings</b>	<b>575.75</b>	<b>1666.37</b>	<b>2044.14</b>

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>15.2. Trade payables</b>			
Due to micro enterprises and small enterprises	45.07	59.18	5.44
Due to creditors other than micro enterprises and small enterprises*	217.90	175.29	134.30
<b>Total</b>	<b>262.97</b>	<b>234.47</b>	<b>139.74</b>

\*Includes amounts payable to related parties (refer note 33)

**Trade payables ageing schedule**

**As at March 31, 2023**

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Unbilled	Total
i) MSME	45.07	-	-	-	-	-	45.07
ii) Others	163.68	36.60	-	-	2.64	14.98	217.90
iii) Disputed Dues-MSME	-	-	-	-	-	-	0.00
iv) Disputed Dues-Others	-	-	-	-	-	-	0.00
v) Unbilled dues	-	-	-	-	-	-	0.00
<b>Total</b>	<b>208.75</b>	<b>36.60</b>	<b>0.00</b>	<b>-</b>	<b>2.64</b>	<b>14.98</b>	<b>262.97</b>

**As at March 31, 2022**

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Unbilled	Total
i) MSME	59.18	-	-	-	-	-	59.18
ii) Others	33.12	130.08	-	0.79	1.84	9.46	175.29
iii) Disputed Dues-MSME	-	-	-	-	-	-	0.00
iv) Disputed Dues-Others	-	-	-	-	-	-	0.00
v) Unbilled dues	-	-	-	-	-	-	0.00
<b>Total</b>	<b>92.30</b>	<b>130.08</b>	<b>0.00</b>	<b>0.79</b>	<b>1.84</b>	<b>9.46</b>	<b>234.47</b>

**As at March 31, 2021**

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Unbilled	Total
i) MSME	5.44	0.00	-	-	-	-	5.44
ii) Others	69.82	3.05	4.00	49.03	-	8.40	134.30
iii) Disputed Dues-MSME	-	-	-	-	-	-	-
iv) Disputed Dues-Others	-	-	-	-	-	-	-
v) Unbilled dues	-	-	-	-	-	-	-
<b>Total</b>	<b>75.26</b>	<b>3.05</b>	<b>4.00</b>	<b>49.03</b>	<b>-</b>	<b>8.40</b>	<b>139.74</b>

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>15.3. Other current financial liabilities</b>			
Interest accrued but not due	2.13	3.28	3.52
Expenses payable	4.50	1.69	1.39
Other recoveries payable	0.20	0.11	0.07
Security deposits	0.02	0.01	0.01
Creditors for Capital goods	10.31	8.56	53.86
<b>Total</b>	<b>17.16</b>	<b>13.65</b>	<b>58.86</b>
<b>16. Other current liabilities</b>			
Advances from customers	0.18	-	-
Statutory liabilities	0.93	35.29	0.50
<b>Total</b>	<b>1.11</b>	<b>35.29</b>	<b>0.50</b>
<b>17. Provisions (current)</b>			
Provision for Leave encashment	0.68	0.04	0.04
<b>Total</b>	<b>0.68</b>	<b>0.04</b>	<b>0.04</b>
<b>18. Current tax liabilities (Net)</b>			
Provision for tax (net of advance tax)	71.94	22.66	0.76
<b>Total</b>	<b>71.94</b>	<b>22.66</b>	<b>0.76</b>



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

**Annexure VII Notes to Restated Financial Information**

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>19. Revenue from operations</b>			
Sale of speciality chemicals	7,799.98	5,082.77	1,704.00
Other operating revenue			
- Sale of scrap	0.52	0.21	-
State Subsidy	32.80	-	-
- Export Incentive	78.98	59.82	40.01
<b>Total revenue from operations</b>	<b>7,912.28</b>	<b>5,142.80</b>	<b>1,744.01</b>
<b>20. Other income</b>			
Interest income on deposits and others	7.39	1.30	0.92
Liabilities no longer required written back	4.31	-	7.24
Miscellaneous Income	0.04	3.23	0.24
Profit on redemption of Mutual funds designated at FVTPL	1.28	-	-
Fair value gain on investments designated at FVTPL (Net)	2.09	-	-
Foreign exchange gain (net)	59.96	13.09	6.37
<b>Total</b>	<b>75.07</b>	<b>17.62</b>	<b>14.77</b>
<b>21. Cost of materials consumed</b>			
Opening stock	36.50	15.23	11.41
Add: Purchases	4,178.90	2,662.56	1,006.63
<b>Total</b>	<b>4,215.40</b>	<b>2,677.79</b>	<b>1,018.04</b>
Less: Closing stock	134.69	36.50	15.23
Less : Internal consumption		-	-
<b>Total</b>	<b>4,080.71</b>	<b>2,641.29</b>	<b>1,002.81</b>
<b>22. Changes in inventories of finished goods and work-in-progress</b>			
Opening inventories			
Finished Goods	93.50	112.25	108.80
Work-in -process	31.27	-	22.58
<b>(A)</b>	<b>124.77</b>	<b>112.25</b>	<b>131.38</b>
Closing inventories			
Finished Goods	154.49	93.49	112.25
Work-in -process	23.16	31.26	-
<b>(B)</b>	<b>177.65</b>	<b>124.75</b>	<b>112.25</b>
<b>TOTAL (A-B)</b>	<b>(52.88)</b>	<b>(12.50)</b>	<b>19.13</b>
<b>23. Employee benefits expense</b>			
Salaries, wages and bonus	44.21	23.24	17.40
Contribution to provident and other funds	3.63	8.29	3.96
Staff welfare expenses	1.54	0.71	0.80
<b>Total</b>	<b>49.38</b>	<b>32.24</b>	<b>22.16</b>
<b>24. Finance costs</b>			
Interest on borrowings	86.75	146.93	185.33
Interest on lease liabilities	0.18	0.01	0.01
Interest on shortfall in payment of advance tax	3.62		
Other borrowing costs	11.36	7.99	4.68
<b>Total</b>	<b>101.91</b>	<b>154.93</b>	<b>190.02</b>
<b>25. Depreciation and amortisation expenses</b>			
Depreciation on Property, Plant & Equipment	143.11	128.30	110.63
Amortisation of right-of-use assets	0.58	0.05	0.05
<b>Total</b>	<b>143.69</b>	<b>128.35</b>	<b>110.68</b>

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

**Annexure VII Notes to Restated Financial Information**

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>26. Other expenses</b>			
Consumption of stores and spares	23.79	19.54	6.04
Consumption of packing material	63.46	38.98	18.06
Power and fuel	753.64	490.90	161.13
Freight Charges	99.01	75.41	45.65
Effluent treatment expenses	4.48	3.74	2.00
Travelling and conveyance	0.51	0.02	0.01
Repairs and Maintenance			
-Buildings	0.81	0.29	0.07
-Plant & Machinery	34.11	8.60	2.10
- Others	0.08	0.03	0.02
Printing and stationery	0.30	0.22	0.17
Communication expenses	0.28	0.16	0.33
Legal and professional charges	1.53	1.54	1.20
Registrations and Renewals	-	-	6.40
Insurance	14.06	5.65	4.70
Auditors remuneration (Refer note 26(a) below)	1.47	1.42	0.45
Directors' sitting fees	0.17	0.05	0.04
Rates and taxes	2.52	0.18	2.83
Inspection charges	0.00	0.03	0.10
Commission and discount	37.62	28.31	9.33
Sales promotion and other selling expenses	0.99	0.21	0.77
Preliminary Expenses written off	-	-	-
Miscellaneous expenses	1.14	0.32	0.17
Donations	0.20	-	-
CSR Expenses	10.00	-	-
Foreign exchange loss (net)	-	-	-
<b>Total</b>	<b>1,050.17</b>	<b>675.57</b>	<b>261.54</b>
<b>26(a). Payment to auditors</b>			
<b>Statutory Auditors:</b>			
Statutory audit fee	0.85	0.85	0.38
Limited review	0.20	-	-
Tax audit fee	0.37	0.57	0.07
Out of pocket expenses	0.05	-	-
<b>Total</b>	<b>1.47</b>	<b>1.42</b>	<b>0.45</b>
<b>26(b). Corporate Social Responsibility (CSR) expenditure</b>			
Amount required to be spent as per section 135 of the Companies Act, 2013	9.99		
Amount of expenditure incurred	9.99		
(a) Construction/acquisition of any asset	5.77	Not applicable	Not applicable
(b) On purposes other than (a) above	4.22		
Shortfall, if any	-		
Nature of CSR activities	Promoting education, rural sports and setting up home for orphans	Not applicable	Not applicable
<b>Contribution to an enterprise where KMP has Significance Influence/ Control</b>	<b>30.50</b>	<b>-</b>	<b>-</b>

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

**Annexure VII Notes to Restated Financial Information**

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>27. Tax expenses:</b>			
<b>(a) Amount recognised in statement of profit and loss</b>			
Current tax	749.32	271.07	15.33
Deferred tax	74.12	180.02	33.16
Tax pertaining to earlier years	9.57	-	-
<b>Tax expenses</b>	<b>833.01</b>	<b>451.09</b>	<b>48.49</b>
<b>(b) Amount recognised in other comprehensive income</b>			
<b>Deferred tax related to items recognised in OCI</b>			
Deferred tax expense/(income) on remeasurements of defined benefit obligations	(0.27)	0.01	0.01
Income-tax expense/(income) recognised in OCI	(0.27)	0.01	0.01
<b>(c) Reconciliation of effective tax rate:</b>			
<b>Profit before tax</b>	<b>2,614.37</b>	<b>1,540.54</b>	<b>152.44</b>
Enacted tax rate in India	29.12%	17.472%	16.692%
<b>Tax expense at enacted rates</b>	<b>761.30</b>	<b>269.16</b>	<b>25.45</b>
Effect of brought forward losses or unabsorbed depreciation whichever is less	-	-	(12.42)
Tax neutral adjustments made to the Restated Financial Information	(11.98)	1.91	2.31
<b>Tax as per the Restated Financial Information</b>	<b>749.32</b>	<b>271.07</b>	<b>15.33</b>
<b>Tax effect of:</b>			
Deferred tax	74.12	180.02	33.16
	<b>823.44</b>	<b>451.09</b>	<b>48.49</b>
Tax expense relating to earlier years	9.57	-	-
<b>Income-tax recognised in the statement of profit and loss</b>	<b>833.01</b>	<b>451.09</b>	<b>48.49</b>
<b>28. Earnings per equity share</b>			
Profit attributable to equity shareholders	1,781.36	1,089.45	103.95
Original number of equity shares (post subdivision of shares)*	20,00,00,000	20,00,00,000	20,00,00,000
Weighted average number of equity shares for basic EPS (Nos.)	20,00,00,000	20,00,00,000	20,00,00,000
Weighted average number of equity shares for dilutive EPS (Nos.)	20,00,00,000	20,00,00,000	20,00,00,000
Basic earnings per share (in Rs.)	8.91	5.45	0.52
Diluted earning per share (in Rs.)	8.91	5.45	0.52
Face value per equity Share (in Rs.)	2	2	2

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

**BALAJI SPECIALITY CHEMICALS LIMITED (Formerly known as BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED)**
**Annexure VII Notes to Restated Financial Information**
*(All amounts are in rupees in millions, except share data or otherwise stated)*
**29 Ind AS 115 - Revenue from Contracts with Customers**

(A) The Company is primarily in the Business of manufacture and sale of Speciality Oleo Chemicals. All sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch or delivery. 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	As at March 31, 2021
Opening contract liability	-	-	-
Less: Recognised as revenue during the year	-198.84	-156.68	-36.89
Add: Addition to contract liability during the year	199.02	156.68	36.89
Closing contract liability	0.18	-	-

**(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	As at March 31, 2021
Revenue from contract with customer as per Contract price	7802.29	5,108.99	1,766.23
Less: Discounts and incentives	-0.08	-0.82	-25.27
Less:- Sales Returns /Credits / Reversals	-1.71	-25.19	-36.96
Revenue from contracts with customers as per the Statement of profit and loss	7,800.50	5,082.98	1,704.00

**Disaggregation of Revenue from contracts with customers**

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
India	5,191.51	3,840.33	1,293.68
China	2,189.36	742.56	365.36
Malaysia	162.59	124.49	3.25
Turkey	86.10	144.14	-
USA	67.81	48.87	27.02
Korea	-	81.80	-
Germany	48.15	14.65	10.05
Belgium	9.27	38.00	2.66
United Kingdom	23.31	12.19	-
UAE	12.02	27.41	-
Italy	-	8.54	-
Kuwait	-	-	1.98
Spain	6.61	-	-
Singapore	3.77	-	-
	7,800.50	5,082.98	1,704.00

**30 Contingent liabilities and commitments (to the extent not provided for)**
**Contingent liabilities**

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Claims against the Company not acknowledged as debts			
Income Tax	5.65	5.65	2.14

**Notes:**

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

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

**Capital and other commitments**

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	47.12	-	-

**31 Dues to micro enterprises and small enterprises**

Details of dues to micro enterprises and small enterprises as defined under the MSMED Act, 2006

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year/period;			
- Principal	45.07	59.18	5.44
- Interest	-	-	-
(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.

**32 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	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Company's contribution to provident fund	2.23	1.83	1.48

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

**(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 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	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Change in defined benefit obligations:</b>			
Obligation at the beginning of the year	1.33	0.76	0.31
Current service costs	0.93	0.56	0.48
Interest costs	0.10	0.05	0.02
Remeasurement (gains)/losses	0.69	(0.04)	(0.05)
Benefits paid	-	-	-
Obligation at the end of the period/year	3.06	1.33	0.76
<b>Change in plan assets:</b>			
Fair value of plan assets at the beginning of the year	1.81	0.95	-
Interest income	0.22	0.06	-
Remeasurement (gains)/losses	(0.22)	0.04	0.04
Employer's contributions	2.61	0.76	0.91
Benefits paid	-	-	-
Fair value of plan assets at the end of the year	4.42	1.81	0.95
<b>Expenses recognised in the statement of profit and loss consists of:</b>			
Employee benefits expense:			
Current service costs	0.93	0.56	0.48
Net interest expenses	(0.12)	(0.01)	0.02
Benefits paid	-	-	-
	0.81	0.55	0.50
<b>Other comprehensive income:</b>			
(Gain)/loss on plan assets	(0.22)	0.04	0.04
Actuarial (gain)/loss arising from changes in financial assumptions	0.20	(0.02)	-
Actuarial (gain)/loss arising from changes in experience adjustments	0.50	(0.01)	(0.05)
(Gain)/loss on obligations	0.70	(0.03)	(0.05)
<b>Total OCI</b>	<b>0.92</b>	<b>(0.07)</b>	<b>(0.09)</b>
<b>Expenses recognised in the statement of profit and loss</b>	<b>1.73</b>	<b>0.48</b>	<b>0.41</b>
<b>Amounts recognised in the balance sheet consist of</b>			
<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Fair value of plan assets at the end of the year	4.42	1.81	0.95
Present value of obligation at the end of the year	3.07	1.34	0.76
Recognised as:			
<b>Retirement benefit liability - Non-current</b>	<b>2.91</b>	<b>1.34</b>	<b>0.76</b>
<b>Retirement benefit liability - Current</b>	<b>0.16</b>	<b>-</b>	<b>-</b>

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 Rs.3.50 million.

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

Expected contribution to post-employment benefit plan of gratuity for the year ending March 31, 2022 is Rs. 0.80 million.

Expected contribution to post-employment benefit plan of gratuity for the year ending March 31, 2021 is Rs. 0.90 million.

**(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					
	March 31, 2023	March 31, 2022	Increase in assumption by			Decrease in assumption by		
			Rate	March 31, 2023	March 31, 2022	Rate	March 31, 2023	March 31, 2022
Discount rate	7.50%	7.11%	1%	2.73	1.28	1%	3.47	1.41
Salary growth rate	5.00%	4.00%	1%	3.48	1.52	1%	2.72	1.18
Attrition rate	4.00%	5.00%	1%	3.14	1.73	1%	2.98	0.81
Mortality Rate	100.00%	100.00%	10%	3.07	1.34	10%	3.07	1.34

Particulars	Key assumptions		Defined benefit obligation					
	March 31, 2022	March 31, 2021	Increase in assumption by			Decrease in assumption by		
			Rate	March 31, 2022	March 31, 2021	Rate	March 31, 2022	March 31, 2021
Discount rate	7.11%	6.75%	1%	1.28	0.73	1%	1.41	0.80
Salary growth rate	4.00%	4.00%	1%	1.52	0.87	1%	1.18	0.67
Attrition rate	5.00%	5.00%	50%	1.73	0.98	50%	0.81	0.46
Mortality Rate	100.00%	100.00%	10%	1.34	0.77	10%	1.34	0.76

Particulars	Key assumptions		Defined benefit obligation					
	March 31, 2021	March 31, 2020	Increase in assumption by			Decrease in assumption by		
			Rate	March 31, 2021	March 31, 2020	Rate	March 31, 2021	March 31, 2020
Discount rate	6.75%	6.65%	1%	0.73	0.30	1%	0.80	0.33
Salary growth rate	4.00%	4.00%	1%	0.87	0.36	1%	0.67	0.27
Attrition rate	5.00%	5.00%	50%	0.98	0.41	50%	0.46	0.19
Mortality Rate	100.00%	100.00%	10%	0.77	0.31	10%	0.76	0.31

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.

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

**33 Related parties**

**(a) Details of related parties**

Name of the related parties	Description of relationship
Balaji Amines Limited	Holding Company
<b>Key Management Personnel</b>	
Ande Prathap Reddy	Wholetime Director (from April 18, 2022) Director (upto April 18, 2022)
N Rajeshwar Reddy	Managing Director
D Ram Reddy	Wholetime Director (from April 18, 2022) Director and Chief Financial Officer (upto April 18, 2022)
G Hemanth Reddy	Wholetime Director
Kashinath Revappa Dhole	Independent Director
Rajendrakumar Mohanprasad Tapadiya	Independent Director
Amarender Reddy Minupuri	Independent Director
Suhasini Shah	Independent Director
PardeepSingh RameshSingh Watwani	Chief Financial Officer (from April 18, 2022)
Soniya Mahajan	Company Secretary (from July 17, 2021 to October 25, 2021)
Lakhan Dargad	Company Secretary (from October, 25, 2021 to May 6, 2022)
B. Srinivas	Company Secretary (from May 6, 2022)
Balaji Foundation & Research Center	Enterprise where KMP has Significance Influence/ Control
MVL Medisynth Private Limited	Enterprise where KMP has Significance Influence
SVS Sourcings Private Limited	Enterprise where KMP has Significance Influence

**(b) Details of transactions during the period/year:**

	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Balaji Amines Limited</b>			
Purchase of Goods & Services	1,501.87	932.34	798.82
Sale of Goods & Services	119.28	202.62	169.47
Lease of office premises	0.71	0.06	0.06
Interest Charged	9.35	54.32	60.44
Loan accepted in the year	-	20.00	310.00
Loan Repayment in the year	660.00	133.48	-
<b>Balaji Foundation &amp; Research Center</b>			
Contribution towards Corporate Social Responsibility	3.05	-	-
<b>MVL Medisynth Pvt. Ltd.</b>			
Purchase of Goods & Services	-	-	-
Sale of Goods & Services	-	-	-
<b>SVS Sourcings Pvt.Ltd.</b>			
Purchase of Goods & Services	-	-	-
Sale of Goods & Services	-	9.07	-
<b>Ande Prathap Reddy</b>			
Loan accepted in the year	-	-	-
Loan Repayment in the year	-	40.00	-
Interest on unsecured loan	-	0.66	3.09
Remuneration	1.20	-	-
<b>Nomula Rajeshwar Reddy</b>			
Remuneration	1.20	-	-
<b>Dundurapu Ram Reddy</b>			
Remuneration	1.20	-	-
<b>Gaddam Hemanth Reddy</b>			
Remuneration	0.81	-	-
<b>Kashinath Revappa Dhole</b>			
Sitting fee paid	0.05	0.03	0.03
<b>Rajendrakumar Mohanprasad Tapadiya</b>			
Sitting fee paid	0.05	0.03	0.03
<b>Amarender Reddy Minupuri</b>			
Sitting fee paid	0.04	-	-
<b>Suhasini Shah</b>			
Sitting fee paid	0.04	-	-
<b>PardeepSingh RameshSingh Watwani</b>			
Remuneration	1.60	1.87	-
<b>B. Srinivas</b>			
Remuneration	0.75	-	-

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

Names of the related parties	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Balaji Amines Limited</b>			
Unsecured loan outstanding	-	660.00	773.48
Trade payables	-	98.38	98.63
Trade receivable	0.80	-	-
Advance Receivable against goods purchases	-	-	-
<b>MVL Medisynth Pvt. Ltd.</b>			
Closing balance payable	-	-	-
<b>SVS Sourcings Pvt.Ltd.</b>			
Closing balance receivable	-	3.26	-
<b>Ande Prathap Reddy</b>			
Unsecured loan outstanding	-	-	40.00

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

**Annexure VII Notes to Restated Financial Information**

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

**34 Capital management**

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.

**Gearing ratio:**

	March 31, 2023	March 31, 2022	March 31, 2021
Total debt	575.75	1,666.37	2,044.14
Total equity	3,655.50	1,874.79	785.32
<b>Debt equity ratio</b>	<b>0.16</b>	<b>0.89</b>	<b>2.60</b>

**35 Financial instruments and risk management**

**Fair values**

- The carrying amounts of trade payables, other financial liabilities (current), borrowings (current), trade receivables, cash and cash equivalents and other bank balances are considered to be the same as fair value due to their short term nature.
- Borrowings (non-current) consists of loans from banks and related parties.

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

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

**(i) Categories of financial instruments**

Particulars	Level	March 31, 2023		March 31, 2022		March 31, 2021	
		Carrying amount	Fair value*	Carrying amount	Fair value*	Carrying amount	Fair value*
<b>Financial assets</b>							
Measured at amortised cost:							
<b>Non-current</b>							
Other financial assets	3	17.10	17.10	19.03	19.03	18.55	18.55
<b>Current</b>							
Investments		103.37	103.37	-	-	-	-
Trade receivables	3	1,175.94	1,175.94	1,559.40	1,559.40	389.38	389.38
Cash and cash equivalents	3	570.94	570.94	34.12	34.12	19.55	19.55
Other bank balances	3	181.17	181.17	0.22	0.22	0.32	0.32
Other financial assets	3	0.43	0.43	0.43	0.43	4.41	4.41
<b>Total</b>		<b>2,048.95</b>	<b>2,048.95</b>	<b>1,613.20</b>	<b>1,613.20</b>	<b>432.21</b>	<b>432.21</b>
<b>Financial liabilities</b>							
Measured at amortised cost							
<b>Non-current</b>							
Borrowings	3	303.03	303.03	1,253.57	1,235.74	1,661.97	1,661.97
Lease liabilities	3	0.79	0.79	0.06	0.06	-	-
<b>Current</b>							
Borrowings	3	272.72	272.72	430.63	430.63	382.17	382.17
Lease liabilities	3	0.68	0.68	0.05	0.05	0.01	0.01
Trade payables	3	262.97	262.97	234.47	234.47	139.74	139.74
Other financial liabilities	3	17.16	17.16	13.65	13.65	58.86	58.86
<b>Total</b>		<b>857.35</b>	<b>857.35</b>	<b>1,932.43</b>	<b>1,914.61</b>	<b>2,242.75</b>	<b>2,242.75</b>

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

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

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

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

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

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

**(A) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk and price risk. Financial instruments affected by market risk include loans and borrowings, trade receivables and trade payables involving foreign currency exposure. The sensitivity analysis in the following sections relate to the position as at March 31, 2023, March 31, 2022 and March 31, 2021.

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 31 March 2023, 31 March 2022 and 31 March 2021.

**(i) Foreign currency exchange rate risk**

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

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

**(ii) Sensitivity**

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

**Foreign Currency Exposure**

Particulars	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	EURO	USD	EURO	USD	EURO	USD
Loans and advances	-	-	-	230.21	-	104.23
Bank balance	-	91.89	-	25.06	-	19.02
Trade receivables	13.39	49.10	17.33	175.71	-	56.48
Trade payables	-	126.35	-	-	-	46.07
Net exposure to foreign currency risk	13.39	14.64	17.33	430.98	-	133.66

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Particulars	Increase/(decrease) in profit before tax			Increase/(decrease) in other components of equity		
	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2023	March 31, 2022	March 31, 2021
<b>Change in EURO</b>						
1% increase	0.13	0.17	-	0.09	0.17	-
1% decrease	(0.13)	(0.17)	-	(0.09)	(0.17)	-
<b>Change in USD</b>						
1% increase	0.15	4.31	1.34	0.10	4.31	1.34
1% decrease	(0.15)	(4.31)	(1.34)	(0.10)	(4.31)	(1.34)

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

**(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.

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, 2021	March 31, 2023	March 31, 2022	March 31, 2021
Change in interest rate						
increase by 100 basis points	95.43	18.55	20.40	67.64	18.55	20.40
decrease by 100 basis points	(95.43)	(18.55)	(20.40)	(67.64)	(18.55)	(20.40)

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

**(B) Credit Risk**

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

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

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

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

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Gross carrying amount	1,175.94	1,559.40	389.38
Expected credit losses (Loss allowance provision)	-	-	-
Carrying amount of trade receivables	1,175.94	1,559.40	389.38

**(ii) Significant estimates and judgements**

Impairment of financial assets:

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

**(C) Liquidity risk**

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

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

**(i) Financing arrangements: The company had access to the following undrawn borrowing facilities at the end of the reporting period**

Particulars	As at	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2021
Expiring within one year (bank overdraft and other facilities)	500.00	92.09	140.55

**(ii) Maturities of financial liabilities**

Contractual maturities of financial liabilities as at :

Particulars	March 31, 2023		March 31, 2022		March 31, 2021	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Borrowings	272.72	303.03	430.63	1,235.74	382.17	1,661.97
Lease liabilities	0.68	0.79	0.05	0.06	0.01	-
Trade payables	262.97	-	234.47	-	139.74	-
Other financial liabilities	17.16	-	13.65	-	58.86	-
<b>Total</b>	<b>553.53</b>	<b>303.82</b>	<b>678.81</b>	<b>1,235.80</b>	<b>580.78</b>	<b>1,661.97</b>

(iii) Management expects finance costs to be incurred for the year ending March 31, 2024 is Rs. 84.35 Millions.



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**36 Capital management**

**Capital management and gearing ratio**

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

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

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
<b>Borrowings</b>			
Current	272.72	430.63	382.17
Non current	303.03	1,235.74	1,661.97
<b>Debt</b>	<b>575.75</b>	<b>1,666.37</b>	<b>2,044.14</b>
<b>Equity</b>			
Equity share capital	400.00	400.00	400.00
Other equity	3,255.50	1,474.79	385.32
<b>Total capital</b>	<b>3,655.50</b>	<b>1,874.79</b>	<b>785.33</b>
<b>Gearing ratio in % (debt/ equity)</b>	<b>15.75%</b>	<b>88.88%</b>	<b>260.29%</b>

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2023 and years ended 31 March 2022 and 31 March 2021.

**37 Segment information:**

**a) Description of segments and principal activities**

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

**b) Information about geographical segments**

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

Geographical Area	March 31, 2023			March 31, 2022		
	India	Outside India	Total	India	Outside India	Total
Revenues	5,190.99	2,608.99	7,799.98	3,840.13	1,242.64	5,082.77
Total Non-Current Assets	2,192.56	13.25	2,205.81	1,898.88	-	1,898.88
Total Current Assets	2,568.85	35.14	2,603.99	1,877.10	240.12	2,117.22

Geographical Area	March 31, 2022			March 31, 2021		
	India	Outside India	Total	India	Outside India	Total
Revenues	3,840.13	1,242.64	5,082.77	1,293.69	410.31	1,704.00
Total Non-Current Assets	1,898.88	-	1,898.88	2,052.39	-	2,052.39
Total Current Assets	1,877.10	240.12	2,117.22	945.93	32.12	978.05

Geographical Area	March 31, 2021		
	India	Outside India	Total
Revenues	1,293.69	410.31	1,704.00
Total Non-Current Assets	2,052.39	-	2,052.39
Total Current Assets	945.93	32.12	978.05

**c) Information about products:**

Revenue from external customers - Sale of speciality chemicals : FY 22-23 Rs. 7,800.50 millions (FY 2021-22 - Rs. 5,082.98 millions and FY 2020-21 - Rs. 1,704.00 millions ).

**d) Information about major customers**

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

Customer 1 - FY 22-23 Rs. 2,102.12 millions (FY 2021-22 Rs. 840.55 millions and FY 2020-21 Rs. 407.30 millions )

Customer 2 - FY 22-23 Rs. 1,724.87 millions (FY 2021-22 Rs. 755.29 millions, FY 2020-21 Rs. 233.75 millions)

Customer 3 - FY 22-23 Rs. 983.76 millions (FY 2021-22 Rs. 515.77 millions, FY 2020-21 Rs. 169.47 millions)

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

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

**39 Code on Social Security**

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

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**40. Ratios as per Schedule III:**

**a) Current Ratio = Current Assets divided by Current Liabilities**

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Current Assets	2,603.99	2117.22	978.05
Current Liabilities	627.26	736.79	582.08
<b>Ratio</b>	<b>4.15</b>	<b>2.87</b>	<b>1.68</b>
<b>% Change from previous year</b>	<b>44.47%</b>	<b>71.02%</b>	<b>33.23%</b>

**Reason for change more than 25%:**

**For March 31, 2023 :** Increase in Trade Receivables due to rise in Sales resulted in improvement in Current Ratio.

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

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

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

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Total debt	575.75	1666.37	2044.14
Total equity	3,655.50	1874.79	785.32
<b>Ratio</b>	<b>0.16</b>	<b>0.89</b>	<b>2.60</b>
<b>% Change from previous year</b>	<b>(82.28%)</b>	<b>(65.85%)</b>	<b>(12.87%)</b>

**Reason for change more than 25%:**

**For March 31, 2023 :** Increase in profits has lead to repayment of borrowings and improved Debt Equity Ratio.

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

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

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Profit after tax	1,781.36	1089.45	103.95
Add: Non cash operating expenses and finance costs	245.60	283.28	300.7
- Depreciation and amortization expenses	143.69	128.35	110.68
- Finance costs	101.91	154.93	190.02
Earnings available for debt services	2,026.96	1372.73	404.65
Interest cost on borrowings	101.91	154.93	190.02
Lease payments	0.71	0.06	0.06
Principal repayments	1,090.62	546.23	334.82
Total Interest & Lease payments and Principal repayments	1,193.24	701.22	524.9
<b>Ratio</b>	<b>1.70</b>	<b>1.96</b>	<b>0.77</b>
<b>% Change from previous year</b>	<b>-13.23%</b>	<b>153.94%</b>	<b>1863.72%</b>

**Reasons for change more than 25%:**

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

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

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

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Net profit after tax	1,781.36	1089.45	103.95
Equity	2,765.15	1330.06	733.33
<b>Ratio</b>	<b>0.64</b>	<b>0.82</b>	<b>0.14</b>
<b>% Change from previous year</b>	<b>-21.35%</b>	<b>477.84%</b>	<b>160.86%</b>

**Reason for change more than 25%:**

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

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

**e) Inventory Turnover Ratio = Sales divided by Average Inventory**

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Sales	7,912.28	5142.8	1744.01
Average Inventory	287.92	191.07	164.165
<b>Inventory Turnover Ratio</b>	<b>27.48</b>	<b>26.92</b>	<b>10.62</b>
<b>% Change from previous year</b>	<b>2.10%</b>	<b>153.36%</b>	<b>266.33%</b>

**Reason for change more than 25%:**

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

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

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

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Total Sales	7,912.28	5142.80	1744.01
Average Trade Receivables	1,367.67	974.39	362.51
<b>Ratio</b>	<b>5.79</b>	<b>5.28</b>	<b>4.81</b>
<b>% Change from previous year</b>	<b>9.61%</b>	<b>9.71%</b>	<b>49.84%</b>

**Reason for change more than 25%:**

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

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

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Total Purchases	4,178.90	2662.56	1006.63
Average Trade Payables	248.72	187.11	171.805
<b>Ratio</b>	<b>16.80</b>	<b>14.23</b>	<b>5.86</b>
<b>% Change from previous year</b>	<b>18.07%</b>	<b>142.87%</b>	<b>-12.19%</b>

**Reason for change more than 25%:**

**For March 31, 2022 :** Due to increase in Purchases and payment made within credit period to the suppliers.

**For March 31, 2021 :** Due to increase in Purchases and payment made within credit period to the suppliers.

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**40. Ratios as per Schedule III:**

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

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Sales	7,912.28	5,142.80	1744.01
Working Capital	1,976.73	1380.43	395.97
<b>Ratio</b>	<b>4.00</b>	<b>3.73</b>	<b>4.40</b>
<b>% Change from previous year</b>	<b>7.44%</b>	<b>(15.41%)</b>	<b>43.57%</b>

**Reason for change more than 25%:**

**For March 31, 2021 :** Due to increase in sales and advance to suppliers.

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

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Net profit after tax	1,781.36	1089.45	103.95
Sales	7,912.28	5,142.80	1744.01
<b>Ratio</b>	<b>0.23</b>	<b>0.21</b>	<b>0.06</b>
<b>% Change from previous year</b>	<b>6.28%</b>	<b>255.41%</b>	<b>120.24%</b>

**Reason for change more than 25%:**

**For March 31, 2022 :** Increase in sales and better price realisation has resulted in increase in Net Profit after Tax.

**For March 31, 2021 :** Increase in sales and better price realisation has resulted in increase in Net Profit after Tax.

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

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Profit before tax (A)	2,614.37	1540.54	152.44
Finance Costs (B)	101.91	154.93	190.02
EBIT (C) = (A)+(B)	2,716.28	1695.47	342.46
Capital Employed (G)=(D)+(E)+(F)	4,454.30	3690.35	2829.46
Tangible Networth (D)	3,655.50	1874.79	785.32
Total Debt (E)	575.75	1666.37	2044.14
Deferred Tax Liability (F)	223.05	149.19	-
<b>Ratio (C)/(G)</b>	<b>0.61</b>	<b>0.46</b>	<b>0.12</b>
<b>% Change from previous year</b>	<b>32.73%</b>	<b>279.59%</b>	<b>585.50%</b>

**Reason for change more than 25%:**

**For March 31, 2023 :** Due to increase in Earnings before interest and taxes (EBIT) & Net worth of the company & decrease in Total Debt.

**For March 31, 2022 :** Due to increase in Earnings before interest and taxes (EBIT) & Net worth of the company.

**For March 31, 2021 :** Due to increase in Earnings before interest and taxes (EBIT) & Net worth of the company.

**k) Return on Investment - Not Applicable**

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Realised gain on investments (A)	1.28	-	-
Unrealised gain on investments (B)	2.09	-	-
Total (C) = (A+B)	3.37	-	-
Average investments (D)	50.56	-	-
<b>Ratio (C)/(D)</b>	<b>0.07</b>	<b>-</b>	<b>-</b>
<b>% Change from previous year</b>	<b>0.07</b>	<b>-</b>	<b>-</b>

**41. Registration of charges or satisfaction with Registrar of Companies (ROC):**

The Company is in the process of obtaining satisfaction/modification of charge amounting to Rs.500 million from one of its financier viz., HDFC Bank Limited.

42. 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.

43. The figures of previous year have been regrouped/reclassified wherever necessary to conform to current year's presentation.

As per our examination report of even date attached

For M.Anandam & Co.,  
Chartered Accountants Balaji Speciality Chemicals Limited  
ICAI Firm registration number: 0001255

For and on behalf of the Board of Directors  
Balaji Speciality Chemicals Limited

M V Ranganath  
Partner  
Membership Number: 028031

N. Rajeshwar Reddy  
Managing Director  
DIN : 00003854

G. Hemanth Reddy  
Wholetime Director  
DIN : 00003868

Place: Hyderabad  
Date: July 05, 2023

Place: Hyderabad  
Date: July 05, 2023

Place: Hyderabad  
Date: July 05, 2023

B. Srinivas  
Company Secretary  
Membership Number: 67430

PardeepSingh RameshSingh Watwani  
Chief Financial Officer  
ABSPW1999F

Place: Solapur  
Date: July 05, 2023

Place: Solapur  
Date: July 05, 2023

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Eligibility for the Offer

Our Company is eligible to undertake the Offer in accordance with the eligibility criteria provided in Regulation 6(1) of the SEBI ICDR Regulations and as derived from the Restated Financial Information, and is in compliance with the conditions specified therein in the following manner:

- (a) Our Company has had net tangible assets of at least ₹30.00 million, calculated on a restated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;
- (b) Our Company has an average operating profit of at least ₹150.00 million, calculated on a restated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;
- (c) Our Company has a net worth of at least ₹10.00 million in each of the preceding three full years (of 12 months each), calculated on a restated basis; and
- (d) Our Company has not changed its name in the last one year.

Unless stated otherwise, our Company's net tangible assets, monetary assets, operating profits and net worth, have been derived from the Restated Financial Information included in this Addendum for the last three Financial Years 2023, 2022 and 2021, which are set forth below:

*(₹ in million, unless otherwise mentioned below)*

Description	As at and for the financial year ended March 31,		
	2023	2022	2021
Restated Net Tangible Assets (A) <sup>(1)</sup>	3,877.15	2,023.87	754.47
Restated Monetary Assets (B) <sup>(2)</sup>	757.56	41.88	26.93
Restated Monetary Assets as a % of Restated Net Tangible Assets (C)=(B)/(A) (in %)	19.54	2.07	3.57
Restated Net Worth <sup>(4)</sup>	3,655.50	1,874.79	785.32
Restated Pre-Tax Operating Profit <sup>(3)</sup>	2,641.21	1,677.85	327.69
Average Restated Pre-Tax Operating Profit	1,548.92		

(1) Restated Net Tangible Assets means the sum of all net assets of the Company as per the Restated Financial Information excluding Intangible Assets (as per IND AS-38), as defined under the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015).

(2) Restated Monetary Assets means the aggregate of cash and cash equivalents, bank balances, term deposits and margin money deposits with banks as per the Restated Financial Information.

(3) Restated Pre-Tax Operating Profit means restated profit before tax excluding other income, finance costs and exceptional items.

(4) Restated Net Worth means the aggregate value of paid-up share capital and other equity created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, derived from the Restated Financial Information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

## OFFER STRUCTURE

The Offer and the Net Offer will constitute [●]% and [●]%, respectively of the post-Offer paid-up Equity Share capital of our Company.

Particulars	QIB Portion <sup>(1)</sup>	Non-Institutional Portion	Retail Portion	Balaji Amines Shareholder Reservation Portion <sup>^</sup> %	Employee Reservation Portion <sup>#</sup> %
Number of Equity Shares available for Allotment/ allocation* <sup>(2)</sup>	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Net Offer less allocation to QIBs and Retail Individual Investors	Not less than [●] Equity Shares available for allocation or Net Offer less allocation to QIBs and Non-Institutional Investors	Up to [●] Equity Shares	Up to [●] Equity Shares
Percentage of Offer available for Allotment/ allocation	<p>Not more than 50% of the Net Offer being available for allocation to QIB Bidders.</p> <p>However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion</p>	<p>Not less than 15% of the Net Offer or the Net Offer less allocation to QIB Bidders and Retail Individual Investors will be available for allocation, subject to the following:</p> <p>(i) one-third of the Non-Institutional Portion shall be reserved for Bidders with an application size of more than ₹0.20 million and up to ₹1.00 million; and</p> <p>(ii) two-third of the Non-Institutional Portion shall be reserved for allocation to Bidders with an application size of more than ₹1.00 million.</p> <p>provided that the unsubscribed portion in either of the sub-categories specified above may be allocated to applicants in the other sub-category of Non-Institutional Investors in accordance with the SEBI ICDR Regulations, subject to valid</p>	Not less than 35% of the Net Offer or Net Offer less allocation to QIB Bidders and Non-Institutional Investors	In accordance with and subject to Regulation 33 of the SEBI ICDR Regulations, the Balaji Amines Shareholder Reservation Portion shall constitute up to [●]% of the Offer	In accordance with and subject to Regulation 33 of the SEBI ICDR Regulations, the Employee Reservation Portion shall constitute up to [●]% of the Offer

Particulars	QIB Portion <sup>(1)</sup>	Non-Institutional Portion	Retail Portion	Balaji Amines Shareholder Reservation Portion <sup>^</sup> %	Employee Reservation Portion <sup>#</sup> %
		Bids being received at or above the Offer Price			
Basis of Allotment if respective category is oversubscribed*	<p>Proportionate as follows (excluding the Anchor Investor Portion):</p> <p>(a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and</p> <p>(b) Up to [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above</p> <p>(c) Up to 60% of the QIB Portion (of up to [●] Equity Shares) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price.</p>	<p>Proportionate however, the allotment of securities to each Non-Institutional Investor shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations.</p>	<p>The allotment to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details, see “Offer Procedure” beginning on page 318 of the Draft Red Herring Prospectus.</p>	<p>Allotment to each Balaji Amines Shareholder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Balaji Amines Shareholder Reservation Portion, and the remaining available Equity Shares, if any, shall be Allotted on a proportionate basis (not exceeding ₹0.20 million). For details, see “Offer Procedure” beginning on page 318 of the Draft Red Herring Prospectus.</p>	<p>Allotment to each Eligible Employee shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Employee Reservation Portion, and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis (not exceeding ₹0.20 million). In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for a value exceeding ₹0.20 million up to ₹0.50 million each. For details, see “Offer Procedure” beginning on page 318 of the Draft Red Herring Prospectus.</p>

Particulars	QIB Portion <sup>(1)</sup>	Non-Institutional Portion	Retail Portion	Balaji Amines Shareholder Reservation Portion <sup>^%</sup>	Employee Reservation Portion <sup>#%</sup>
Minimum Bid	Such number of Equity Shares so that the Bid Amount exceeds ₹0.20 million and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds ₹0.20 million and in multiples of [●] Equity Shares thereafter	[●] Equity Shares in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer, subject to applicable limits under applicable law	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Net Offer size (excluding the QIB Portion), subject to limits prescribed under applicable law	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹0.20 million	Such number of Equity Shares and in multiples of [●] Equity Shares, so that the maximum Bid Amount by each Balaji Amines Shareholder does not exceed ₹0.20 million, if any	Such number of Equity Shares and in multiples of [●] Equity Shares, so that the maximum Bid Amount by each Eligible Employee in Eligible Employee Portion does not exceed ₹0.50 million, (which will be less Employee Discount, if any)
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter				
Mode of allotment	Compulsorily in dematerialised form				
Allotment Lot	A minimum of [●] Equity Shares and in multiples of one Equity Share thereafter				
Trading Lot	One Equity Share				
Who can apply <sup>(3)</sup>	Public financial institutions (as specified in Section 2(72) of the Companies Act), scheduled commercial banks, multilateral and bilateral development financial institutions, Mutual Funds, Eligible FPIs (other than individuals corporate bodies and family offices), VCFs, AIFs, FVCIs registered with the SEBI, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250.00 million, pension funds with minimum corpus of ₹250.00 million, National	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions, societies and trusts, family offices and FPIs who are individuals, corporate bodies and family offices.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)	Balaji Amines Shareholders	Eligible Employees

Particulars	QIB Portion <sup>(1)</sup>	Non-Institutional Portion	Retail Portion	Balaji Amines Shareholder Reservation Portion <sup>^%</sup>	Employee Reservation Portion <sup>#%</sup>
	Investment Fund set up by the Government of India, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important Non-Banking Financial Companies.				
Terms of Payment <sup>(5)</sup>	<p><b>In case of Anchor Investors:</b> Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids<sup>(4)</sup></p> <p><b>In case of all other Bidders:</b> Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form.</p>				
Mode of Bidding <sup>(5)</sup>	Only through the ASBA process (except for Anchor Investors). In case of UPI Bidders, ASBA process will include the UPI mechanism.				

<sup>^</sup>Assuming full subscription in the Offer.

- <sup>(1)</sup> Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors, on a discretionary basis in accordance with the SEBI ICDR Regulations, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹100 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹50 million per Anchor Investor, and (iii) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million or part thereof will be permitted, subject to minimum allotment of ₹50 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹100 million. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the Anchor Investor Allocation Price.
- <sup>(2)</sup> Subject to valid Bids being received at or above the Offer Price. This Offer is being made in accordance with Rule 19(2)(b) of the SCRR, through the Book Building Process, in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer will be available for allocation to QIBs on a proportionate basis. Such number of Equity Shares representing 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not less than 15% of the Net Offer will be available for allocation on a proportionate basis to Non-Institutional Investors, of which one-third of the Non-Institutional Category will be available for allocation to Bidders with an application size between ₹0.20 million to ₹1.00 million and two-thirds of the Non-Institutional Category will be available for allocation to Bidders with an application size of more than ₹1.00 million and under-subscription in either of these two sub-categories of Non-Institutional Category may be allocated to Bidders in the other sub-category of Non-Institutional Category in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, not less than 35% of the Net Offer will be available for allocation to Retail Individual Investors in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Under-subscription, if any, in any category, except the QIB Category, would be met with spill-over from any other category or a combination of categories, as applicable, at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange, subject to valid Bids being received at or above the Offer Price, on a proportionate basis and in accordance with applicable laws. Under-subscription, if any, in the Net QIB Category will not be allowed to be met with spill-over from other categories or a combination of categories. For details, see "Terms of the Offer" on page 306 of the Draft Red Herring Prospectus.
- <sup>(3)</sup> If the Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only the First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers reserve the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories, subject to applicable laws.



- (4) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Bid, provided that any positive difference between the Anchor Investors Allocation Price and the Anchor Investor Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.
- (5) SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹0.50 million, shall use UPI. Eligible Employees Bidding under Employee Reservation Portion for up to ₹0.50 million, Balaji Amines Shareholders Bidding under Balaji Amines Shareholder Reservation Portion for up to ₹0.20 million and individual investors Bidding under the Non-Institutional Portion Bidding for more than ₹0.20 million and up to ₹0.50 million, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers. Further SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the bank accounts of the investors. Accordingly, Stock Exchanges shall, for all categories of investors viz. QIBs, NIIs and RIIs and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.

Bids by FPIs with certain structures as described under “Offer Procedure - Bids by FPIs” on page 324 of the Draft Red Herring Prospectus and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

<sup>#</sup>Eligible Employee(s) Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹0.50 million (net of Employee Discount). Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Balaji Amines Shareholder Reservation Portion (subject to complying with the eligibility criteria and applicable limits) and/or in the Retail Portion, and such Bids will not be treated as multiple Bids subject to applicable limits. Further, any unsubscribed portion remaining in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion, subject to applicable law.

<sup>^</sup>Balaji Amines Shareholders Bidding in the Balaji Amines Shareholder Reservation Portion can Bid up to a Bid Amount of ₹0.20 million (net of Shareholder Discount). Further, a Balaji Amines Shareholders Bidding in the Balaji Amines Shareholder Reservation Portion can also Bid in the Employee Reservation Portion (subject to complying with the eligibility criteria and applicable limits) and /or in the Retail Portion, and such Bids will not be treated as multiple Bids subject to applicable limits. Further, any unsubscribed portion remaining in the Balaji Amines Shareholder Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Balaji Amines Shareholder Reservation Portion, subject to applicable law.

<sup>%</sup>Bids by Balaji Amines Shareholders in the Balaji Amines Shareholder Reservation Portion, in the Employee Reservation Portion and in the Retail Portion shall not be treated as multiple Bids. However, Bids by Balaji Amines Shareholders in the Balaji Amines Shareholder Reservation Portion, in the Employee Reservation Portion and in the Non-Institutional Portion shall be treated as multiple Bids. Our Company and the Selling Shareholders reserve the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories. For details, see “Offer Procedure” on page 318 of the Draft Red Herring Prospectus.

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the SEBI Act, as the case may be, have been complied with, and no statement made in this Addendum is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

---

**RAJESHWAR REDDY NOMULA**

*Managing Director*

**Date:** July 5, 2023

**Place:** Solapur

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the SEBI Act, as the case may be, have been complied with, and no statement made in this Addendum is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

---

**ANDE PRATHAP REDDY**

*Chairman and Whole-time Director*

**Date:** July 5, 2023

**Place:** Hyderabad

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the SEBI Act, as the case may be, have been complied with, and no statement made in this Addendum is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

---

**GADDAM HEMANTH REDDY**

*Whole-time Director*

**Date:** July 5, 2023

**Place:** Hyderabad

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the SEBI Act, as the case may be, have been complied with, and no statement made in this Addendum is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

---

**RAJENDRAKUMAR MOHANPRASAD TAPADIYA**

*Independent Director*

**Date:** July 5, 2023

**Place:** Solapur

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the SEBI Act, as the case may be, have been complied with, and no statement made in this Addendum is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

---

**AMARENDER REDDY MINUPURI**

*Independent Director*

**Date:** July 5, 2023

**Place:** Hyderabad

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the SEBI Act, as the case may be, have been complied with, and no statement made in this Addendum is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

---

**SUHASINI YATIN SHAH**

*Independent Director*

**Date:** July 5, 2023

**Place:** Solapur

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the SEBI Act, as the case may be, have been complied with, and no statement made in this Addendum is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum are true and correct.

**SIGNED BY THE CHIEF FINANCIAL OFFICER**

\_\_\_\_\_  
**PARDEEP SINGH WATWANI**

*Chief Financial Officer*

**Date:** July 5, 2023

**Place:** Solapur



## **DECLARATION**

I, Ande Prathap Reddy, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Addendum about or in relation to myself as a Promoter Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosure or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Addendum.

**SIGNED FOR AND ON BEHALF OF ANDE PRATHAP REDDY BY GADDAM HEMANTH REDDY  
PURSUANT TO A VALID POWER OF ATTORNEY**

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**Date:** July 5, 2023

**Place:** Hyderabad

## **DECLARATION**

I, Ande Srinivas Reddy, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Addendum about or in relation to myself as a Promoter Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosure or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Addendum.

**SIGNED FOR AND ON BEHALF OF ANDE SRINIVAS REDDY BY GADDAM HEMANTH REDDY  
PURSUANT TO A VALID POWER OF ATTORNEY**

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**Date:** July 5, 2023

**Place:** Hyderabad

## **DECLARATION**

I, Ram Reddy Dundurapu, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Addendum about or in relation to myself as a Promoter Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosure or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Addendum.

**SIGNED BY RAM REDDY DUNDURAPU**

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**Date:** July 5, 2023

**Place:** Solapur

## **DECLARATION**

I, Rajeshwar Reddy Nomula, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Addendum about or in relation to myself as a Promoter Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosure or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Addendum.

**SIGNED FOR AND ON BEHALF OF RAJESHWAR REDDY NOMULA BY RAM REDDY DUNDURAPU PURSUANT TO A VALID POWER OF ATTORNEY**

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**Date:** July 5, 2023

**Place:** Solapur

## **DECLARATION**

I, Gaddam Hemanth Reddy, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Addendum about or in relation to myself as a Promoter Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosure or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Addendum.

**SIGNED BY GADDAM HEMANTH REDDY**

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**Date:** July 5, 2023

**Place:** Hyderabad

## **DECLARATION**

I, Achanta Annapurna, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Addendum about or in relation to myself as an Other Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosure or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Addendum.

**SIGNED FOR AND ON BEHALF OF ACHANTA ANNAPURNA BY GADDAM HEMANTH REDDY  
PURSUANT TO A VALID POWER OF ATTORNEY**

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**Date:** July 5, 2023

**Place:** Hyderabad

## **DECLARATION**

I, Dundurapu Vandana Reddy, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Addendum about or in relation to myself as an Other Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosure or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Addendum.

**SIGNED FOR AND ON BEHALF OF DUNDURAPU VANDANA REDDY BY RAM REDDY  
DUNDURAPU PURSUANT TO A VALID POWER OF ATTORNEY**

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**Date:** July 5, 2023

**Place:** Solapur

## **DECLARATION**

I, Ande Shakuntala Devi, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Addendum about or in relation to myself as an Other Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosure or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Addendum.

**SIGNED FOR AND ON BEHALF OF ANDE SHAKUNTALA DEVI BY GADDAM HEMANTH REDDY  
PURSUANT TO A VALID POWER OF ATTORNEY**

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**Date:** July 5, 2023

**Place:** Hyderabad



## **DECLARATION**

I, Gaddam Madhumathi, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Addendum about or in relation to myself as an Other Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosure or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Addendum.

**SIGNED FOR AND ON BEHALF OF GADDAM MADHUMATHI BY GADDAM HEMANTH REDDY  
PURSUANT TO A VALID POWER OF ATTORNEY**

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**Date:** July 5, 2023

**Place:** Hyderabad

## **DECLARATION**

I, Gaddam Tanmai Reddy, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Addendum about or in relation to myself as an Other Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosure or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Addendum.

**SIGNED FOR AND ON BEHALF OF GADDAM TANMAI REDDY BY GADDAM HEMANTH REDDY  
PURSUANT TO A VALID POWER OF ATTORNEY**

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**Date:** July 5, 2023

**Place:** Hyderabad

## **DECLARATION**

I, Eeshan Reddy Nomula, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Addendum about or in relation to myself as an Other Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosure or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Addendum.

**SIGNED FOR AND ON BEHALF OF EESHAN REDDY NOMULA BY RAM REDDY DUNDURAPU  
PURSUANT TO A VALID POWER OF ATTORNEY**

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**Date:** July 5, 2023

**Place:** Solapur

## DECLARATION

I, Nomula Deepti Rajeshwar Reddy, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Addendum about or in relation to myself as an Other Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosure or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Addendum.

**SIGNED FOR AND ON BEHALF OF NOMULA DEEPTI RAJESHWAR REDDY BY GADDAM HEMANTH REDDY PURSUANT TO A VALID POWER OF ATTORNEY**

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**Date:** July 5, 2023

**Place:** Hyderabad

## **DECLARATION**

I, Gaddam Laasya Reddy, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Addendum about or in relation to myself as an Other Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosure or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Addendum.

**SIGNED FOR AND ON BEHALF OF GADDAM LAASYA REDDY BY GADDAM HEMANTH REDDY  
PURSUANT TO A VALID POWER OF ATTORNEY**

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**Date:** July 5, 2023

**Place:** Hyderabad

## **DECLARATION**

I, Gaddam Komali Reddy, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Addendum about or in relation to myself as an Other Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosure or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Addendum.

**SIGNED FOR AND ON BEHALF OF GADDAM KOMALI REDDY BY GADDAM HEMANTH REDDY  
PURSUANT TO A VALID POWER OF ATTORNEY**

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**Date:** July 5, 2023

**Place:** Hyderabad