

M. ANANDAM & CO.,
CHARTERED ACCOUNTANTS

Independent Auditor's Report

To the Members of Balaji Speciality Chemicals Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Balaji Speciality Chemicals Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2025, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements including material accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (Ind AS), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

We have determined the matters described below to be the key audit matters to be communicated in our report.



S.No	Key Audit Matter	Auditor's Response
1.	<p>Revenue Recognition</p> <p>Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognised when the Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition is when the control over goods is transferred to the customers, which is mainly upon delivery.</p> <p>The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before the control over goods is transferred.</p> <p>Refer Note 1.3 to the Financial Statements – Material Accounting Policies.</p>	<p>Principal Audit Procedures</p> <p>Our audit approach was a combination of tests of internal controls and substantive procedures including:</p> <ul style="list-style-type: none"> • Assessing the appropriateness of Company's revenue recognition in line with Ind AS 115 – Revenue from Contracts with Customers. • Evaluating the design and implementation of Company's controls in respect of revenue recognition. • Testing the effectiveness of such controls over revenue cut off at the year end. • Testing the supporting documentation for sales transactions recorded during the period closer to the year-end and subsequent to the year-end, including examination of credit notes issued after the year end to determine whether revenue was recognised in the correct period.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are

also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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



Report on Other Legal and Regulatory Requirements

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matter stated in paragraph (i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 1(b) above and paragraph (i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- g) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- h) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provision of section 197 of the Act.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note 32 of the financial statements);
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;



iii. There are no amounts which were required to be transferred to the Investor and Protection Fund by the Company.

iv. (a) The Management has represented that, (Refer note no. 42 of the Financial Statements) to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented that, (Refer note no. 42 of the Financial Statements) to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.

vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention. However, the accounting software used by the Company has not been enabled with the feature of audit trail (edit log) at the server or database to log direct file level changes. Considering the limitation in the accounting software, we are unable to comment on whether the audit trail (edit log) at database level has been tampered with or not as required by Rule 3(1) of the Companies (Accounts) Rules, 2014.



2. As required by the Companies (Auditor's Report) Order, 2020, ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For M.Anandam & Co.,

Chartered accountants

(Firm Registration No.0001258)



B.V.Suresh Kumar

Partner

Membership No.212187

UDIN: 25212187BMKXYG5319

Place: Hyderabad

Date: May 17, 2025

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

Opinion

We have audited the internal financial controls with reference to financial statements of **Balaji Speciality Chemicals Limited** ("the Company") as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

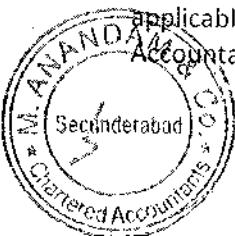
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial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

Inherent Limitations of Internal Financial Controls with reference to the financial statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical



requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

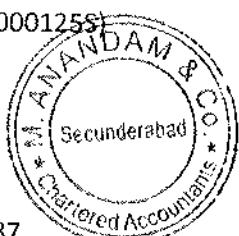
Meaning of Internal Financial Controls with reference to the financial statements

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

For M.Anandam & Co.,
Chartered accountants

(Firm Registration No.0001258)


B.V.Suresh Kumar
Partner
Membership No.212187
UDIN: 25212187BMKXYG5319



Place: Hyderabad
Date: May 17, 2025

Annexure - B to the Independent Auditors' Report

With reference to Paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of the Company, we report that-

(i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

- (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
B. The Company does not have intangible assets and hence reporting under the clause 3(i)(b) is not applicable.
- (b) The Property, Plant and Equipment have been physically verified by the management in a periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its business. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the based on our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (d) According to the information and explanations given to us and on the based on our examination of the records of the Company, the Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) or intangible assets or both during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the coverage, frequency and procedure of such verification is reasonable and adequate in relation to the size of the Company and the nature of its business. The discrepancies noticed on verification between the physical stocks and the book records were not exceeding 10% in the aggregate for each class of inventory

(b) The Company is sanctioned working capital limits in excess of Rs.5 Crore during the year from banks on the basis of security of current assets. Further, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) During the year, the Company has not made investments, not provided loans or advances in the nature of loans or not stood guarantee or not provided security in/to companies, firms, Limited Liability Partnerships or any other parties. Hence, reporting under clause 3(iii) of the Order is not applicable.

(iv) The Company has not granted loans, not made investments and not given guarantees or securities and hence reporting under clause 3(iv) of the Order is not applicable.

(v) According to the information and explanations given to us and based on our examination, the Company has not accepted deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under. Hence, reporting under clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the cost records maintained by the Company as prescribed under subsection (1) of section 148 of the Act, and are of the opinion that, *prima facie*, the prescribed



accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii)

(a)

In respect of statutory dues:
According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident fund, Employees' state insurance, Income-tax, Goods and Services Tax, Customs duty, cess and any other statutory dues as applicable with the appropriate authorities and there were no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

(b)

According to the information and explanations given to us and records of the Company examined by us, the particulars of Income tax as at March 31, 2025 which have not been deposited on account of dispute are as under:

Name of the statute	Nature of the dues	Amount (Rs.in lakhs)	Amount paid under protest (Rs. In lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income-tax Act, 1961	Income tax	84.44	-	AY 2019-20	Commissioner of Income tax (Appeals)
Income-tax Act, 1961	Income tax	64.02	12.81	AY 2018-19	Commissioner of Income Tax (Appeals)

(viii)

There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a)

The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b)

The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(c)

According to the information and explanations given to us and procedures performed by us, we report that the Company has applied the term loans for the purpose for which the loans were obtained.

(d)

On an overall examination of the financial statements of the Company, funds raised on short-term basis have, *prima facie*, not been used for long-term purposes by the Company.

(e)

The Company does not have any Subsidiaries, Associates or Joint Ventures and hence, reporting under clause 3(ix)(e) and (f) of the Order are not applicable.

(x) (a)

The Company has not raised monies by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3 (x)(a) of the Order is not applicable.



(b) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under clause (x)(b) of the Order is not applicable.

(xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not engaged in any non-banking financial housing finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company. ,

(c) The Company is not a core investment company as defined in the Regulations made by the Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.



(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act.

(b) According to the information and explanations given to us and based on our examination, there are no on-going projects and hence reporting under clause 3(xx)(b) is not applicable.

For M.Anandam & Co.,
Chartered accountants
(Firm Registration No.0001255)

B.V.Suresh Kumar
Partner
Membership No.212187



UDIN: 25212187BMKXYG5319

Place: Hyderabad
Date: May 17, 2025

BALAJI SPECIALITY CHEMICALS LIMITED
CIN: U24299PN2010PLC137162
BALANCE SHEET AS AT MARCH 31, 2025

(All amounts are in Rs Lakhs, except for share data or as otherwise stated)

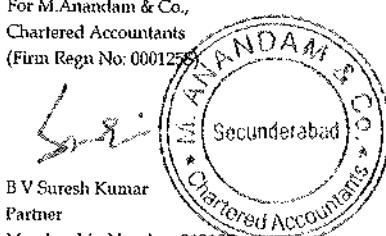
Particulars	Note	As at March 31, 2025	As at March 31, 2024
I. ASSETS			
Non-current assets			
(a) Property, plant and equipment	2.1	17,013.24	17,402.56
(b) Capital work-in-progress	2.2	8,337.23	6,117.52
(c) Right-of-use assets	2.3	0.59	7.36
(d) Financial assets			
Other financial assets	3	184.86	127.02
(e) Other non-current assets	4	3,308.04	829.19
		28,843.96	24,483.65
Current Assets			
(a) Inventories	5	2,320.91	2,425.88
(b) Financial assets			
(i) Trade receivables	6	3,203.65	5,818.52
(ii) Cash and cash equivalents	7	11,040.17	5,030.03
(iii) Bank balances other than (ii) above	8	5.14	8,376.73
(iv) Other financial assets	9	7.98	6.67
(c) Current Tax Assets (Net)	10.1	153.58	-
(d) Other current assets	11	1,548.71	1,758.02
		18,280.14	23,415.85
TOTAL ASSETS		47,124.10	47,899.50
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	4,000.00	4,000.00
(b) Other equity	13	38,914.32	38,656.89
		42,914.32	42,656.89
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	151.52	1,060.61
(ii) Lease liabilities	2.4	-	0.65
(b) Provisions	15	15.25	17.89
(c) Deferred tax liabilities (net)	16	2,127.81	2,030.10
		2,294.58	3,189.25
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	17	909.09	909.09
(ii) Lease liabilities	2.4	0.65	7.24
(iii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	18	42.60	225.88
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		460.43	355.24
(iv) Other financial liabilities	19	470.89	530.58
(b) Other current liabilities	20	11.81	12.24
(c) Provisions	21	19.73	4.12
(d) Current tax liabilities (net)	10.2	-	88.97
		1,915.20	2,133.36
TOTAL EQUITY AND LIABILITIES		47,124.10	47,899.50
Material accounting policies	1(C)		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For M.Anandam & Co.,
Chartered Accountants
(Firm Regn No: 0001255)

B V Suresh Kumar
Partner
Membership Number: 212187
Place: Hyderabad
Date: May 17, 2025



For and on behalf of Board of Directors

G.Hemanth Reddy
Wholetime Director
DIN : 00003868
Place: Hyderabad
Date: May 17, 2025

N.Rajeshwar Reddy
Managing Director
DIN : 00003854
Place: Solapur
Date: May 17, 2025

Abhijeet Kothadiya
Company Secretary
M.No.A52571
Place: Solapur
Date: May 17, 2025

Pardeep Singh Ramesh Singh Watwani
Chief Financial Officer
PAN: ABSPW1999F
Place: Solapur
Date: May 17, 2025



BALAJI SPECIALITY CHEMICALS LIMITED
CIN: U24299PN2010PLC137162
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025

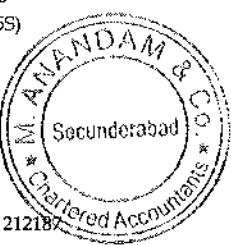
(All amounts are in Rs Lakhs, except for share data or as otherwise stated)

Particulars	Note	Year ended March 31, 2025	Year ended March 31, 2024
I. Income			
Revenue from operations	22	13,446.59	31,663.86
Other income	23	1,049.68	882.52
Total income		14,496.27	32,546.38
II. Expenses			
Cost of materials consumed	24	8,233.70	16,075.70
Changes in inventories of work-in-progress and finished goods	25	291.85	(11.27)
Employee benefits expense	26	690.10	989.56
Finance costs	27	184.63	427.37
Depreciation and amortisation	28	1,013.34	1,179.51
Other expenses	29	3,656.94	6,891.91
Total expenses		14,070.56	25,552.78
III. Profit before tax (I-II)		425.71	6,993.60
IV. Tax expense:			
(1) Current tax	30	84.78	1,740.24
(2) Earlier years' tax		4.88	(643.45)
(3) Deferred tax		97.72	(203.09)
Total tax expense		187.38	893.70
V. Profit for the year (III- IV)		238.33	6,099.90
VI. Other comprehensive income			
Items that will not be reclassified to profit or loss			
a) Re-measurement of defined benefit plans		19.09	4.64
b) Income tax relating to item (a) above		-	(2.66)
Other comprehensive income (net of tax)		19.09	1.98
VII. Total comprehensive income for the year		257.43	6,101.88
VIII. Earnings per equity share (Face value of Rs.2/-each)	31		
(1) Basic (in Rs.)		0.12	3.05
(2) Diluted (in Rs.)		0.12	3.05
Material accounting policies	1(C)		

The accompanying notes are an integral part of the financial statements

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

B V Suresh Kumar
 Partner
 Membership Number: 212187
 Place: Hyderabad
 Date: May 17, 2025



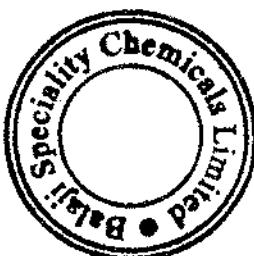
For and on behalf of Board of Directors

N.Rajeshwar Reddy
 Managing Director
 DIN : 00003854
 Place: Solapur
 Date: May 17, 2025

G.Hemanth Reddy
 Wholetime Director
 DIN : 00003868
 Place: Hyderabad
 Date: May 17, 2025

Abhijeet Kothadiya
 Company Secretary
 M.No.A52571
 Place: Solapur
 Date: May 17, 2025

Pardeep Singh Ramesh Singh Watwani
 Chief Financial Officer
 PAN: ABSPW1999P
 Place: Solapur
 Date: May 17, 2025



BALAJI SPECIALITY CHEMICALS LIMITED
CIN: U24299PN2010PLC137162
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2025

(All amounts are in Rs Lakhs, except for share data or as otherwise stated)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Cash flow from operating activities:		
Profit before tax	425.71	6,993.60
Adjustments for:		
Depreciation and amortisation	1,013.34	1,179.51
Interest on borrowings	126.41	345.26
Interest on lease liabilities	0.56	1.04
IPO expenses written off	-	480.94
Bad debts written off	0.77	96.67
Profit on redemption of mutual funds designated at FVTPL	-	(2.26)
Profit on sale of Property, Plant and Equipment	-	(0.87)
Interest income	(863.99)	(739.80)
Operating cash flow before working capital changes	702.80	8,354.09
Changes in operating assets and liabilities		
(Increase) / decrease in inventories	104.98	1,112.07
(Increase) / decrease in trade receivables	2,614.11	5,844.23
(Increase) / decrease in financial assets other than trade receivables	174.80	(191.57)
(Increase) / decrease in other non-financial assets	309.31	(258.85)
Increase / (decrease) in trade payables	(78.09)	(2,048.59)
Increase / (decrease) in other financial liabilities	(355.34)	373.24
Increase / (decrease) in provisions	32.07	18.13
Increase / (decrease) in other non-current financial liabilities	(97.72)	(96.47)
Cash generated from operations	3,306.93	13,126.28
Direct taxes paid (net)	(234.94)	(1,629.69)
Net cash flow from/(used in) operating activities	3,071.99	11,496.60
Cash flow from investing activities		
Purchase of property, plant and equipment	(617.25)	(809.11)
(Increase) / decrease in capital work-in-progress	(2,219.71)	(2,168.56)
Proceeds from sale of property, plant and equipment	-	15.00
Proceeds from / (investment in) Term deposits in current assets	8,138.94	(6,329.53)
(Increase) / decrease in capital advances	(2,478.85)	(685.42)
Increase / (decrease) in capital creditors	302.39	(7.32)
Proceeds from sale of investments designated at FVTPL	-	1,035.91
Interest received	862.68	237.42
Net cash flow from/(used in) investing activities	3,988.20	(8,211.61)
Cash flow from financing activities		
Repayment of non-current borrowings	(909.09)	(3,787.73)
Interest paid	(133.16)	(352.15)
Payment for interest on lease liabilities	(0.56)	(1.04)
Amount received from the selling shareholders in relation to IPO withdrawn	-	334.68
Expenses in relation to IPO withdrawn	-	(171.39)
Payment for principal component of lease liabilities	(7.24)	(6.76)
Net cash flow from/(used in) financing activities	(1,050.05)	(3,964.39)
Net increase/(decrease) in cash and cash equivalents	6,010.14	(679.40)
Cash and Cash equivalents at the beginning of the year	5,030.03	5,709.43
Cash and Cash equivalents at the end of the year	11,040.17	5,030.03
Reconciliation of Cash and Cash equivalents with the Balance Sheet		
Cash and Cash equivalents as per Balance Sheet - Refer Note 7 of the financial statements		
Balance with banks		
- in current accounts	42.31	-
- debit balance in cash credit accounts	935.96	491.46
Margin money deposit accounts	10,061.88	4,338.53
Cash on hand	0.02	0.04
Cash and Cash equivalents at the end of the year	11,040.17	5,030.03

Note : The above 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" specified under section 133 of The Companies Act, 2013

Material accounting policies - 1(C)

Net debt reconciliation

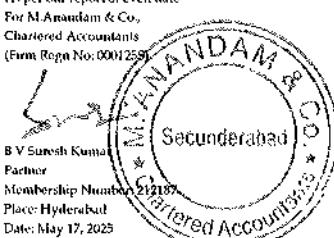
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Opening balance of borrowings	1,969.70	5,757.43
Proceeds from non-current borrowings	-	-
Repayment of non-current borrowings	(909.09)	(3,787.73)
Closing balance of borrowings	1,060.61	1,969.70

The accompanying notes are an integral part of the financial statements

As per our report of even date

For M Anandam & Co.,
Chartered Accountants
(Firm Regn No: 0001259)

B V Suresh Kumar
Partner
Membership Number: 212187
Place: Hyderabad
Date: May 17, 2025



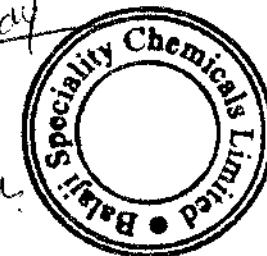
For and on behalf of Board of Directors

N Raghav Reddy
Managing Director
DIN: 00003854
Place: Solapur
Date: May 17, 2025

Alpoorit Kothadiya
Company Secretary
M. No. A52571
Place: Solapur
Date: May 17, 2025

G Hemant Reddy
Wholetime Director
DIN: 00003868
Place: Hyderabad
Date: May 17, 2025

Pardeep Singh Ramesh Singh Walwani
Chief Financial Officer
PAN: ABSPW1999P
Place: Solapur
Date: May 17, 2025



Khurshid
Pardeep Singh

BALAJI SPECIALITY CHEMICALS LIMITED
 CIN: U24299PN2010PLC137162
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

(All amounts are in Rs Lakhs, except for share data or as otherwise stated)

I) Equity share capital

Particulars	Amount
Balance as at April 1, 2024	4,000.00
Add: Changes in equity share capital due to prior period errors	-
Changes in equity share capital during the year	-
Balance as at March 31, 2025	4,000.00
Balance as at April 1, 2023	4,000.00
Add: Changes in equity share capital due to prior period errors	-
Changes in equity share capital during the year	-
Balance as at March 31, 2024	4,000.00

II) Other equity

Particulars	Reserves and Surplus		
	Securities Premium	Retained Earnings	Total
Balance as at April 1, 2024	4,400.00	34,256.89	38,656.89
Profit for the year	-	238.33	238.33
Other comprehensive income/(loss)	-	19.10	19.10
Balance as at March 31, 2025	4,400.00	34,514.33	38,914.33
Balance as at April 1, 2023	4,400.00	28,155.01	32,555.01
Profit for the year	-	6,099.90	6,099.90
Other comprehensive income/(loss)	-	1.98	1.98
Balance as at March 31, 2024	4,400.00	34,256.89	38,656.89

Notes:

Refer Note 13 for description of the nature and purpose of each reserve within other equity.

Material accounting policies - 1(C)

The accompanying notes are an integral part of the financial statements

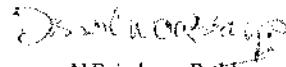
As per our report of even date

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

For and on behalf of Board of Directors


 B V Suresh Kumar
 Partner
 Membership Number: 212187
 Place: Hyderabad
 Date: May 17, 2025

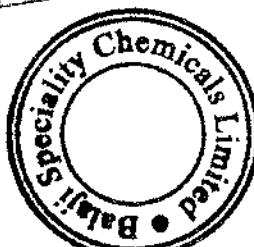



 N.Rajeshwar Reddy
 Managing Director
 DIN : 00003854
 Place: Solapur
 Date: May 17, 2025


 G.Hemanth Reddy
 Wholetime Director
 DIN : 00003868
 Place: Hyderabad
 Date: May 17, 2025


 Abhijeet Kothadiya
 Company Secretary
 M.No.A52571
 Place: Solapur
 Date: May 17, 2025


 Pardeep Singh Ramesh Singh Watwani
 Chief Financial Officer
 PAN: ABSPW1999F
 Place: Solapur
 Date: May 17, 2025



2.1(a). Property, plant and equipment

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount	
	As at April 1, 2024	Additions	Deletions	As at March 31, 2025	As at April 1, 2024	For the year	Disposals/Adjustments	As at March 31, 2025	As at April 1, 2025	
Freehold land	411.95	-	-	411.95	-	1.07	-	-	411.95	411.95
Leasehold land *	93.00	-	-	93.00	5.00	5.35	-	6.07	86.93	86.93
Leasehold land improvements	56.09	-	-	81.98	16.76	5.35	-	22.11	59.88	59.88
Buildings	2,880.57	25.89	-	2,932.79	437.05	91.38	-	528.43	2,404.36	2,404.36
Plant and equipment	19,673.94	52.22	-	20,211.34	5,262.48	906.57	-	6,169.05	14,042.29	14,042.29
Furniture and fixtures	9.02	-	-	9.02	4.11	0.86	-	4.97	4.05	4.05
Office equipment	5.37	-	-	5.37	3.25	0.63	-	3.88	1.49	1.49
Computers	6.56	0.38	-	6.94	5.29	0.66	-	5.95	0.99	0.99
Vehicles	-	1.35	-	1.35	0.05	-	-	0.05	1.30	1.30
TOTAL	23,136.50	617.24		23,753.74	5,733.94	1,006.57		6,740.51	17,013.24	

2.1(b). Property, plant and equipment

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount	
	As at April 1, 2023	Additions	Deletions	As at March 31, 2024	As at April 1, 2023	For the year	On disposals	As at March 31, 2024	As at April 1, 2024	
Freehold land	411.95	-	-	411.95	-	-	-	-	411.95	411.95
Leasehold land *	93.00	-	-	93.00	3.93	1.07	-	5.00	88.00	88.00
Leasehold land improvements	56.09	-	-	56.09	13.21	3.55	-	16.76	39.33	39.33
Buildings	2,878.50	2.07	-	2,880.57	91.20	-	-	437.05	2,443.52	2,443.52
Plant and equipment	18,883.90	807.04	17.00	19,673.94	4,191.14	1,074.21	2.87	5,262.48	14,411.46	14,411.46
Furniture and fixtures	9.02	-	-	9.02	3.38	0.73	-	4.11	4.91	4.91
Office equipment	5.37	-	-	5.37	2.10	1.15	-	3.25	2.12	2.12
Computers	6.56	-	-	6.56	4.46	0.83	-	5.29	1.27	1.27
TOTAL	22,344.39	809.11	17.00	23,136.50	4,564.07	1,172.74	2.87	5,733.94	17,492.56	

* Leasehold land represents Right-of-Use assets. The land is taken for 95 years lease from Maharashtra Industrial Development Corporation (MIDC) on payment of upfront lease premium. The same is disclosed as per Ind AS 116 "Leases" and amortized over the period of lease.



BALAJI SPECIALITY CHEMICALS LIMITED
 Notes forming part of the financial statements for the year ended March 31, 2025
 (All amounts are in Rs Lakhs, except for share data or as otherwise stated)

2.2(a). Capital work-in-progress

Particulars	As at March 31, 2025			As at March 31, 2024		
	As at April 1, 2024	Additions	Deletions	As at March 31, 2025	As at April 1, 2023	Additions
Capital work-in-progress	6,117.52		2,836.96	617.25	8,337.23	3,948.95

2.2(b). Capital work-in-progress ageing schedule

Particulars	As at March 31, 2025				As at March 31, 2024					
	Amount in CWIP for a period of				Amount in CWIP for a period of					
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2,388.16	2,420.46	3,528.61	-	8,337.23	2,588.91	3,528.61	-	-	6,117.52

2.2(c). Expenditure during construction period (included in capital work-in-progress)

Particulars	As at March 31, 2025		As at March 31, 2024	
Balance brought forward (A)		17.71		-
Expenditure incurred during the year				
Employee benefits expense		3.74		-
Finance costs		1.92		-
Other direct expenses		40.26		17.71
Total expenditure during construction period (B)		45.92		17.71
Less : Turnover (C)		-		-
Less : Stocks of finished goods out of trial run production (D)		-		-
Total (A+B-C-D)		63.63		17.71
Allocated to property, plant and equipment		-		-
Balance carried forward		63.63		17.71



BALAJI SPECIALITY CHEMICALS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts are in Rs. Lakhs, except for share data or as otherwise stated)

2.3 Right-of-use assets

The Company has lease contracts for its registered office building at Solapur and office space at Hyderabad used for its operations.

Movement in Right of use assets is given below:

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Opening balance	7.36	14.13	
Add: Additions during the year	-	-	
Less: Deletions during the year	-	-	
Less: Amortisation during the year	6.77	6.77	
Closing balance	0.59	7.36	

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

2.4 Lease Liabilities

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

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Current lease liabilities	0.65	7.24	0.65
Non-current lease liabilities	-	-	0.65
Total	0.65	7.29	

(ii) Movement in Lease Liabilities is given below:

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	7.89	14.65	
Additions during the year	-	-	
Finance costs accrued during the year	0.56	1.04	
Deletions	-	-	
Payment of lease liabilities	7.80	7.80	
Balance at the end of the year	0.65	7.89	

(iii) Contractual maturities of lease liabilities on undiscounted basis

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Less than one year	0.70	7.80	
One to three years	-	0.70	8.50



BALAJI SPECIALITY CHEMICALS LIMITED
Notes forming part of the financial statements for the year ended March 31, 2025
(All amounts are in Rupees, except for share data or otherwise stated)

3. Other financial assets (non-current)		As at March 31, 2025	As at March 31, 2024
Particulars		March 31, 2025	March 31, 2024
Margin money deposits against bank guarantee	16.47	6.13	
Security deposits with government companies and others	168.39	120.89	
Total	184.86	127.02	

4. Other non-current assets		As at March 31, 2025	As at March 31, 2024
Particulars		March 31, 2025	March 31, 2024
Capital advances	3,253.95	817.90	
Taxes paid under protest	24.09	11.29	
Total	3,278.04	829.19	

5. Inventories		As at March 31, 2025	As at March 31, 2024
Particulars		March 31, 2025	March 31, 2024
(Valued at lower of cost and net realisable value)			
Raw materials (includes materials in transit of Rs. 39,693 ; P.Y. Rs.93,31,41R)	478.45	270.68	
Work-in-progress	89.57	231.30	
Finished goods	1,105.20	1,556.39	
Spares and spares	254.84	289.02	
Packing materials	27.88	32.45	
Fuel and others	63.91	46.04	
Total	2,320.91	2,425.88	

5.1 For inventories secured against borrowings, refer note 17 to the financial statements.

6. Trade receivables		As at March 31, 2025	As at March 31, 2024
Particulars		March 31, 2025	March 31, 2024
Unsecured, considered good*	3,203.65	5,818.52	
Total	3,203.65	5,818.52	

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

6.1 For Trade receivables secured against borrowings, refer note no. 17 to the financial statements.

6.2 For Company's exposure to the market risk and credit risk, refer note no. 36 to the financial statements.

6.3 Trade receivables non-interest bearing and generally on credit terms of 7 to 120 days.

Trade Receivables ageing schedule
As at March 31, 2025

Particulars	Net Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	3,054.70	146.83	212	-	-	-	3,203.65
(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	-	-	-	-	-	-	-
(vii) Expected credit loss rate	-	-	-	-	-	-	-
(viii) Expected credit loss#	-	-	-	-	-	-	-
Total	3,054.70	146.83	212	-	-	-	3,203.65

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

Particulars	Net Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	4,782.41	1,033.95	212	0.04	-	-	5,818.52
(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	-	-	-	-	-	-	-
(vii) Expected credit loss rate	-	-	-	-	-	-	-
(viii) Expected credit loss#	-	-	-	-	-	-	-
Total	4,782.41	1,033.95	212	0.04	-	-	5,818.52

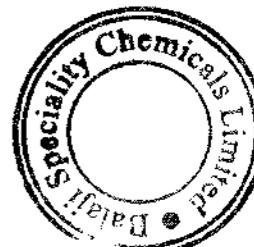
The Company has not accounted for expected losses as it has no defaults in payments from the customers in the earlier years.

7. Cash and cash equivalents

Particulars		As at March 31, 2025	As at March 31, 2024
a) Balances with banks			
- in current accounts	42.31	-	
- debit balance in cash credit accounts	935.96	491.46	
- in deposit accounts	10,061.88	4,538.53	
b) Cash on hand	0.02	0.04	
Total	11,040.17	5,030.03	

8. Other bank balances

Particulars		As at March 31, 2025	As at March 31, 2024
Balances with banks			
Term deposits with maturity between three to twelve months (includes interest accrued)	-	8,138.95	
Earmarked balances with banks	5.14	237.78	
Margin money deposit accounts	5.14	5,376.73	
Total	5.14	5,376.73	



BALAJI SPECIALITY CHEMICALS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2025
(All amounts are in Rs. Lakhs, except for share data or as otherwise stated)

9. Other financial assets (current)

Particulars	As at March 31, 2025	As at March 31, 2024
Interest accrued and due on security deposits and others	7.98	6.67
Total	7.98	6.67

10.1 Current Tax Assets (Net)

Particulars	As at March 31, 2025	As at March 31, 2024
Advance Tax and TDS (net of provision for tax)	153.58	-
Total	153.58	-

11. Other current assets

Particulars	As at March 31, 2025	As at March 31, 2024
Prepaid expenses	53.54	34.94
Advances to suppliers	9.66	177.39
GST incentive receivable*	1,156.59	1,488.96
GST input tax credit and refunds	328.92	56.73
Total	1,648.71	1,758.02

* During the year the company has received GST incentive from the State government of Maharashtra aggregating to Rs 719.36 lakhs under "Package scheme of incentives 2013". Further, the company has recognized an amount of Rs. 386.99 lakhs (Pt. 1160.97 lakhs) as incentive receivable in accordance with the terms of the scheme.

12. Equity share capital

Particulars	As at March 31, 2025	As at March 31, 2024
AUTHORIZED 22,50,00,000 (P.Y. 22,50,00,000) equity shares of Rs. 2/- each	4,500.00	4,500.00
Total	4,500.00	4,500.00
ISSUED, SUBSCRIBED & PAID-UP CAPITAL 2,00,00,000 (P.Y. 20,00,00,000) equity shares of Rs. 2/- each, fully paid up	4,000.00	4,000.00
Total	4,000.00	4,000.00

(A) Movement in equity share capital

Particulars	No. of Shares		Amount
	No. of Shares	% holding	
Balance at April 1, 2023	20,00,00,000	4,000	-
Movement during the year	-	-	-
Balance at March 31, 2024	20,00,00,000	4,000	-
Movement during the year	-	-	-
Balance at March 31, 2025	20,00,00,000	4,000	-

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

Name of the shareholder	As at March 31, 2025		As at March 31, 2024	
	No. of Shares	% holding	No. of Shares	% holding
Balaji Amines Limited	11,00,00,000	55.00%	11,00,00,000	55.00%
Andi Srinivas Reddy	2,50,95,300	12.55%	1,29,11,700	8.91%
Andi Prathap Reddy	1,31,29,000	6.56%	1,31,29,000	6.56%

(C) Terms/Rights attached to equity shares

The company has only one class of equity shares having a face value of Rs. 2 each (P.Y. Rs. 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.

(D) Shareholding held by Holding Company

Name of the Holding Company	As at March 31, 2025	As at March 31, 2024
Equity Shares: Balaji Amines Limited	11,00,00,000	11,00,00,000

(E) (i) Shareholding of promoters as at March 31, 2025

Name of the promoter	No. of shares	% of total shares	% change during the year
Balaji Amines Limited - Holding company	11,00,00,000	55.00%	-
A Srinivas Reddy	2,50,95,300	12.55%	4.83%
Andi Prathap Reddy	1,31,29,000	6.56%	-
D Ram Reddy	62,69,300	3.14%	0.14%
N Rajeshwar Reddy	57,55,400	2.88%	-
G Hemant Reddy	44,52,095	2.23%	-
Total	16,47,08,095	82.35%	-

(E) (ii) Shareholding of promoters as at March 31, 2024

Name of the promoter	No. of shares	% of total shares	% change during the year
Balaji Amines Limited - Holding company	11,00,00,000	55.00%	-
A Srinivas Reddy	1,76,11,700	8.91%	2.67%
Andi Prathap Reddy	1,31,29,000	6.56%	4.40%
D Ram Reddy	62,69,300	3.13%	7.91%
N Rajeshwar Reddy	57,55,400	2.88%	-
G Hemant Reddy	44,52,095	2.23%	3.64%
Total	15,74,17,495	78.71%	-

(F) Shares allotted as fully paid pursuant to contract(s) without payment being received in cash or as fully paid up Bonus Shares during the period of five years immediately preceding March 31, 2025 : NIL

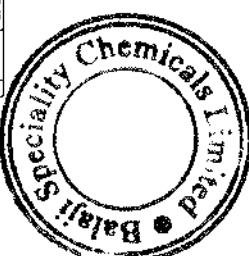
(G) Shares reserved for issue under options and contracts or commitments for the sale of shares or disbursement: NIL

13. Other equity

Particulars	As at March 31, 2025	As at March 31, 2024
Reserves and surplus		
Securities premium	4,400.00	4,400.00
Retained earnings	34,514.32	34,256.89
Total	38,914.32	38,656.89

Securities premium

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	4,400.00	4,400.00
Additions during the year	-	-
Deductions/adjustments during the year	-	-
Closing balance	4,400.00	4,400.00



Retained earnings

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance:		
Add: Profit for the year	34,256.89	28,155.01
Add: Other comprehensive income - Remeasurement of defined benefit plans (net of tax)	238.34	6,099.93
	19.99	1.98
Closing balance	34,514.32	34,256.89

Nature and purpose of other reserves

(i) **Securities premium**

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

(ii) **Retained earnings**

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

14. Borrowings

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Secured loans		
Term loans from banks	151.52	1,060.61
Total	151.52	1,060.61

(i) **Term loans from banks**

The company has availed term loans from HDFC Bank Limited. The loan from from HDFC Bank Limited is repayable in 6 equal monthly installments starting from Dec, 2024.

(ii) **Security:**

The term loans from HDFC Bank Ltd secured by first charge on factory land and building located at E-8/1, MIDC, Chincholi, Salapur, Maharashtra. Second joint charge on entire current assets of the company present and future.

(iii) **Repayment schedule:**

Financial Year	HDFC Bank Ltd
2025-26	909.09
2026-27	151.52
	1,060.61

15. Provisions (non-current)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits		
Leave encashment	15.25	17.89
Total	15.25	17.89

16. Deferred tax liabilities (net)

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Deferred tax liabilities on account of:		
On fiscal allowances on Property, plant and equipment	2,133.82	2,019.52
Deferred tax asset reversal - Expenses allowable on payment basis	(6.01)	10.58
(ii) Deferred tax assets on account of:		
Expenses allowable on payment basis	-	-
Deferred tax liabilities (net)	2,127.81	2,030.30

Movement in deferred tax liabilities (net)

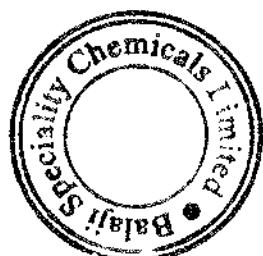
Particulars	On fiscal allowances on Property, plant and equipment	Expenses allowable on payment basis	Total
As at April 1, 2024	2,019.52	10.58	2,030.10
(Charged) Credited to Statement of profit and loss	114.30	(16.59)	97.71
to Other comprehensive income		-	-
As at March 31, 2025	2,133.82	(6.01)	2,127.81

Particulars	On fiscal allowances on Property, plant and equipment	Expenses allowable on payment basis	Total
As at April 1, 2023	2,226.35	(5.82)	2,230.53
(Charged) Credited to Statement of profit and loss	(216.83)	13.74	(203.09)
to Other comprehensive income		2.66	2.66
As at March 31, 2024	2,019.52	10.58	2,030.10

17. Borrowings

Particulars	As at March 31, 2025	As at March 31, 2024
Secured		
Repayable on demand		
Working capital loans from banks		
Current maturities of long-term debt (Refer Note 14)		
From banks	909.09	909.09
Total	909.09	909.09

The cash credit facilities/working capital loans which are obtained from HDFC Bank Ltd 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 9.07% p.a to 10.20% p.a.



BALAJI SPECIALITY CHEMICALS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2025
(All amounts are in Rupees, except for share data as otherwise stated)

18. Trade payables

Particulars	As at March 31, 2025	As at March 31, 2024
Due to micro enterprises and small enterprises	12.60	225.88
Due to creditors other than micro enterprises and small enterprises	460.13	355.24
Total	503.03	581.12

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

Particulars	As at March 31, 2025	As at March 31, 2024
i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of accounting year		
Principal amount	12.60	225.88
Interest due		
ii) Amount of interest paid by the Company under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year		
iii) Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006		
iv) Amount of interest accrued and remaining unpaid at the end of accounting year		
v) Amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 22 of MSMED Act, 2006		

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

Trade payables ageing schedule as at March 31, 2025

Particulars	Not Due	Outstanding for following periods from due date of payment				Unbilled	Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) MSME #	31.83	-	-	-	-	11.43	43.23
(ii) Others	394.65	20.50	0.32	0.03	-	44.20	459.60
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	426.45	20.50	0.32	0.03	-	55.73	503.03

includes dues to medium enterprises

Trade payables ageing schedule as at March 31, 2024

Particulars	Not Due	Outstanding for following periods from due date of payment				Unbilled	Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) MSME	229.00	-	-	-	-	11.43	240.43
(ii) Others	156.45	105.89	0.55	-	26.48	51.42	340.69
(iii) Disputed Dues - MSME	-	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-	-
Total	385.35	105.89	0.55	-	26.48	62.85	581.12

includes dues to medium enterprises.

19. Other financial liabilities (current)

Particulars		As at March 31, 2025	As at March 31, 2024
Interest accrued but not due on borrowings		7.68	14.42
Employee benefits payable		61.12	417.78
Other receivables payable		2.94	2.41
Security deposits		1.05	0.15
Creditors for capital goods		398.20	95.82
Total		470.89	530.58

20. Other current liabilities

Particulars		As at March 31, 2025	As at March 31, 2024
Advances from customers		0.13	1.66
Statutory liabilities		11.68	10.58
Total		11.81	12.24

21. Provisions (current)

Particulars		As at March 31, 2025	As at March 31, 2024
Provision for employee benefits			
Leave encashment		19.73	4.12
Total		19.73	4.12

10.2 Current tax liabilities (net)

Particulars		As at March 31, 2025	As at March 31, 2024
Provision for tax (net of advance tax and TDS)		-	88.92
Total		-	88.92



BALAJI SPECIALITY CHEMICALS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts are in Rs Lakhs, except for share data or as otherwise stated)

22. Revenue from operations

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Sale of products		
Sale of Speciality chemicals	13,051.07	30,038.63
Other operating revenues		
Other sales	6.47	4.94
Incentive from government	386.99	1,160.97
Export incentives	2.06	459.32
Total Revenue from operations	13,446.59	31,663.86

23. Other income

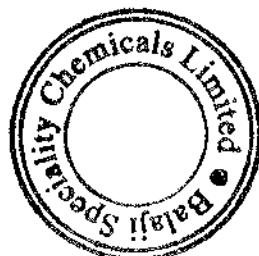
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest income on bank deposits and others at amortised cost	863.99	739.80
Profit on redemption of mutual funds designated at FVTPL (Net)	-	2.26
Profit on sale of property, plant and equipment (net)	-	0.87
Foreign exchange gain (net)	185.59	139.56
Miscellaneous income	0.10	0.03
Total	1,049.68	882.52

24. Cost of materials consumed

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Opening Stock	175.36	1,346.86
Add: Purchases	8,536.39	14,904.20
Less: Closing Stock	478.05	175.36
Total	8,233.70	16,075.70

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

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Opening inventories		
Finished goods	1,556.39	1,544.85
Work-in-progress	231.30	231.57
	(A) 1,787.69	1,776.42
Closing inventories		
Finished goods	1,406.26	1,556.39
Work-in-progress	89.58	231.30
	(B) 1,495.84	1,787.69
Total (A-B)	291.85	(11.27)



26. Employee benefits expense

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Salaries, wages and bonus	549.05	887.26
Contribution to provident and other funds	94.30	64.05
Staff welfare expenses	13.04	12.36
Leave encashment expense	33.71	25.89
Total	690.10	989.56

27. Finance costs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest on borrowings	126.41	345.26
Interest on lease liabilities	0.56	1.04
Interest on shortfall in payment of advance tax	0.94	0.13
Other borrowing costs	56.72	80.94
Total	184.63	427.37

28. Depreciation and amortisation

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation on property, plant and equipment	1,006.57	1,172.74
Amortisation of Right-of-use assets	6.77	6.77
Total	1,013.34	1,179.51

29. Other expenses

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Consumption of stores and spares	159.92	336.60
Consumption of packing materials	148.11	323.71
Power and fuel	2,413.88	4,168.95
Freight Outward	125.38	291.95
Effluent treatment expenses	44.88	69.22
Travelling and conveyance	18.18	18.63
Repairs and Maintenance		
Buildings	4.85	4.39
Plant and equipment	141.90	222.19
Others	0.28	1.96
Printing and stationery	2.19	2.66
Communication expenses	2.01	2.73
Legal and professional charges	30.55	485.24
Directors sitting fees	1.15	2.05
Insurance	95.58	134.62
Auditors' remuneration (refer note 29 a)	18.02	30.90
Rates and taxes	11.53	26.05
Inspection Charges	-	0.13
Commission and discount	88.23	182.14
Sales promotion and other selling expenses	13.41	9.67
Expenditure on Corporate social responsibility (refer note 29 b)	324.71	290.53
Expenditure on Corporate environmental responsibility	-	140.57
Bad debts written off	0.76	96.67
Miscellaneous expenses	11.42	50.35
Total	3,656.94	6,891.91



29 a. Auditors' remuneration

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
As Statutory auditors		
Statutory audit	8.50	8.50
Limited review	2.00	2.00
Tax audit	3.70	3.70
Certification fees	-	15.02
Out of pocket expenses	3.82	1.68
Total	18.02	30.90

29 b. Expenditure on corporate social responsibility

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
a) Amount required to be spent as per Section 135 of the Act	324.18	288.61
b) Amount of expenditure incurred on:	324.71	290.53
i) Construction/ acquisition of any assets	89.99	150.24
ii) On purposes other than (i) above	234.72	140.28
Subtotal :	324.71	290.52
c) Shortfall / (excess) at the end of the year	(0.53)	(1.92)
d) Total of previous years' shortfall	-	-
e) Reason for shortfall	NA	NA
f) Nature of CSR activities under Sec 135 read with Schedule VII of Companies Act, 2013	Promoting sports, Promoting education, Rural development, Healthcare	Promoting sports, Promoting education, Rural development, Healthcare
Contribution to an enterprise where KMP has Significance Influence/ Control	-	39.00

30. Tax expense

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
(a) Amount recognised in statement of profit and loss	425.71	6,993.60
Current tax	84.78	1,740.24
Earlier years' tax	4.88	(643.45)
Deferred tax	97.72	(203.09)
Total tax expense	187.38	893.70
(b) Amount recognised in other comprehensive income		
Deferred tax related to items recognised in OCI		
Deferred tax expense/ (income) on remeasurements of defined benefit obligations	-	-
Income-tax expense/ (income) recognised in OCI	-	-
(c) Reconciliation of effective tax rate:		
Profit before tax	425.71	6,993.60
Enacted tax rate in India	25.168%	25.168%
Tax expense at enacted rates	107.14	1,760.29
Effect of non-deductible expense	353.07	380.88
Effect of allowances for tax purpose	(375.44)	(400.93)
Tax as per the financial statements	84.78	1,740.24
Effect of deferred tax	97.72	(203.09)
Effect of earlier years' tax	4.88	(643.45)
Income-tax recognised in the statement of profit and loss	187.38	893.70

31. Earnings per share:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Profit for the year (in Lakhs)	238.33	6,099.90
Number of shares outstanding at the end of the year	20,00,00,000	20,00,00,000
Weighted average number of equity shares outstanding during the year	20,00,00,000	20,00,00,000
Basic and Diluted earnings per share (in Rs.)	0.12	3.05
Face value per share (in Rs.)	2.00	2.00



BALAJI SPECIALITY CHEMICALS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2025

1(A) Corporate information

Balaji Speciality Chemicals Limited, 'the Company' (Formerly known as Balaji Speciality Chemicals Private Limited), is a Public Limited company incorporated in India under the provisions of the Companies Act, 2013. The Company's registered office is located at 2nd Floor, Balaji Towers, No.9/1A/1, Hotgi Road, Aasara Chowk, Solapur, Maharashtra - 413224. The Company is a subsidiary of Balaji Amines Limited. The Company is engaged in the manufacturing of speciality chemicals namely Ethylene Diamine (EDA), Diethylenetriamine (DETA), Aminoethyl ethanolamine (AEEA) and Aminoethyl Piperazine (AEP) etc.

1(B) Basis of preparation and measurement

(i) Statement of compliance & Basis of preparation

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

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

(ii) Functional and presentation currency

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

(iii) Basis of measurement

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

- Certain financial assets and	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:

- Determining an asset's (Property, plant and equipment) expected useful life and the expected residual value at the end of its life;
- Impairment of financial assets;
- Measurement of defined benefit obligations: key actuarial assumptions;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of

- Recognition of tax expense

Measurement of fair values

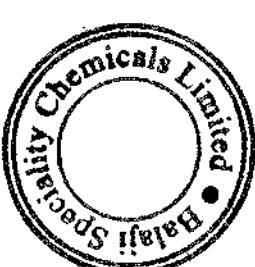
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or

transfer the liability takes place either:

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

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

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.



BALAJI SPECIALITY CHEMICALS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2025

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 measuring fair values is included in the Note 36 - Financial instruments.

(v) Operating Cycle:

Based on the time involved between the acquisition of assets for processing and their realisation in cash and 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 in the Balance sheet.

1(C) Material accounting policies

(i) Revenue recognition

(i) Revenue from contract with customers

Revenue from the sale of goods is recognised when the company performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition is when the control of goods is transferred to the customer, which is mainly upon delivery.

Revenue is measured at transaction price that the company receives or expects to receive as consideration for goods supplied, net of returns, allowances, trade discounts and volume rebates as part of the contract and excludes amounts collected on behalf of third parties.

(ii) Recognition of interest income

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

(ii) Property, plant and equipment (PPE)

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from its use. Difference between the sales proceeds and the carrying amount of the asset is recognized in the statement of profit and loss.

The catalyst is an asset that facilitates the process that increases the future economic benefits and output efficiency expected from the plant.

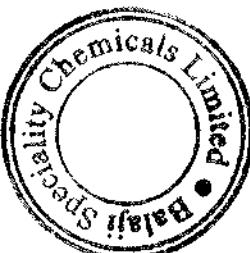
Land allotted by MIDC on long lease basis is treated as "Leasehold land" on the basis of possession from MIDC ("the Lessor"). The one-time lump sum premium paid at the time of allotment is amortized over the period of the 88 year lease.

(iii) Capital work-in-progress

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

(iv) Expenditure during construction period

Expenditure during construction period (including finance cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets".



BALAJI SPECIALITY CHEMICALS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2025

(v) Depreciation and amortisation

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.

The estimated useful lives of PPE of the company are as follows

Buildings	30 Years
Plant and Machinery (continuous process plant)	25 Years
Vessel/storage tanks	20 Years
Plant and Machinery (other than continuous process plant)	15 Years
Furniture and fixtures	10 Years
Internal Roads	10 Years
Electric Equipment	10 Years
Electrically operated vehicles	8 Years
Office equipment	5 Years
Computers	3 Years

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

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

Depreciation on Leasehold improvements is provided over the life estimated by the management. Catalyst is depreciated on the actual production in a year.

(vi) Government grants / subsidies

The company may receive government grants that require compliance with certain conditions related to the company's operating activities (or) are provided to the company by way of financial assistance on the basis of certain qualifying criteria.

Government grants are recognised when there is reasonable assurance that the grant will be received upon the company complying with the conditions attached to the grant. Accordingly, the government grants by way of financial assistance on the basis of certain qualifying criteria are recognised in the statement of profit and loss as they become receivable.

(vii) Leases

As a Lessee:

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

- (1) The Contract involves the use of an identified asset;
- (2) The Company has substantially all the economic benefits from use of the asset through the period of the lease and
- (3) The Company has the right to direct the use of the asset.

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

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

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

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

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.

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

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.



BALAJI SPECIALITY CHEMICALS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2025

(viii) 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.

Long-term employee benefits**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 actuary 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.

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.

Defined benefit plan - Other Long term employee benefits

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

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

Defined contribution plans

Contributions to post employment benefit plans in the form of provident fund as per regulations are charged as an expense on an accrual basis when employees have rendered the service. The Company has no further payment obligations once the contributions have been paid.

(ix) Tax expenses

Accounting treatment in respect of deferred tax and current tax is in accordance with 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.



BALAJI SPECIALITY CHEMICALS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2025

(x) Inventories

Raw materials, packing materials, stores and spares, and other consumables are valued at cost or net realizable value, whichever is lower. Cost comprises of basic cost (net of GST, if any) and other costs incurred in bringing them to their respective present location and condition. Cost is determined on a First-in-First Out basis.

Work-in-Progress and finished goods are valued at cost or net realizable value, whichever is lower. Cost includes all direct costs and a proportion of other fixed manufacturing overheads based on normal operating capacity.

(xi) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of not more than three months, which are subject to an insignificant risk of changes in value.

(xii) Foreign Currency Transactions

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.

(xiii) Impairment of Assets**(i) Impairment of financial instruments**

The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

(ii) Impairment of non-financial assets

Impairment loss, if any, is provided to the extent the carrying amount of assets or cash generating units exceed their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

(xiv) 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.

(xv) 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****Subsequent measurement**

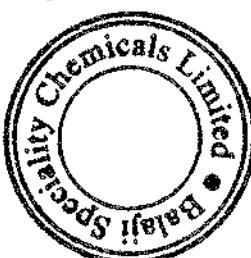
For the purpose of subsequent measurement, financial assets are categorised as under:

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

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

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

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



BALAJI SPECIALITY CHEMICALS LIMITED**Notes forming part of the financial statements for the year ended March 31, 2025**

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 Statement of profit and 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.

(xvi) Provisions, Contingent Liabilities and Contingent assets

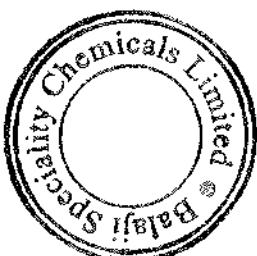
The Company recognises provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources and reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined 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.

(xvii) Standards issued but not yet effective

There is no such notification applicable from April 1, 2025.



BALAJI SPECIALITY CHEMICALS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts are in Rs Lakhs, except for share data or as otherwise stated)

32. Contingent liabilities and commitments

(a) Contingent liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Claims against the Company not acknowledged as debts		
Income tax	148.46	120.47
Total	148.46	120.47

Notes:

i. The above claims pertain to Income Tax - TDS on foreign remittances pertaining to the FY 2017-18 & 2018-19. The Company has filed appeals with CIT(Appeals) and the same are pending for disposal. The Company has paid an amount of Rs. 12.81 Lakhs 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 an outflow of resources at this point of time is low.

(b) Capital and other commitments

Particulars	As at March 31, 2025	As at March 31, 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for	19,771.03	287.78
Other commitments	-	-
Total	19,771.03	287.78

33. Related party disclosures

(a) Name of the related party

Balaji Amines Limited

Description of the relationship

Holding Company

Key management personnel (KMP)

Ande Pratap Reddy

Wholetime Director

N Rajeshwar Reddy

Managing Director

D Ram Reddy

Wholetime Director (upto May 15, 2023)

G Hemanth Reddy

Wholetime Director

Kashinath Revappa Dhole

Independent Director (upto May 15, 2023)

Rajendrakumar Mehanprasad Tapadiya

Independent Director

Amarendra Reddy Minipuri

Independent Director

Suhastri Shah

Independent Director

PardeepSingh RameshSingh Watwani

Independent Director

B. Srinivas

Chief Financial Officer

Lakhan Dangal

Company Secretary (upto December 30, 2023)

Abhijit S. Kothadiya

Company Secretary (from January, 29, 2024 to December 31, 2024)

Balaji Foundation & Research Center

Company Secretary (from February, 06, 2025)

SVS Sourcing Private Limited

Enterprise where KMP has Significance Influence/ Control

(b) Transactions with related parties during the year

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Holding company		
Balaji Amines Limited		
Purchase of goods & services	100.38	136.16
Sale of goods & services	997.01	1,160.84
Lease payments	7.80	7.80
Trademark & Franchises	-	0.50
Enterprise where KMP has Significance Influence/ Control		
Balaji Foundation & Research Center		
Contribution towards Corporate Social Responsibility	-	39.00
Key Management Personnel		
Short-term employee benefits	81.20	449.82
Post employment benefits	0.44	1.92

(c) Outstanding balances as at the year end where related party relationship existed

Particulars	As at March 31, 2025	As at March 31, 2024
Balaji Amines Limited		
Trade receivables*	228.09	102.39
Key Management Personnel		
Short term employee benefits payable**	-	365.39
Post employment benefits payable**	2.37	1.92

*Trade receivables & payables would be settled within 15 days.

**Short-term employee benefits to be settled in cash with no credit period. Post employment benefits to be settled in cash at the time of retirement.



BALAJI SPECIALITY CHEMICALS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2025
(All amounts are in Rs Lakhs, except for share data or as otherwise stated)

34. Employee benefit plans

(a) Leave obligations

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

(b) Defined contribution plans

The company has defined contribution plans namely provident fund. The contributions are made to registered provident fund administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contributions plan is as follows:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Company's contribution to provident fund	36.99	32.50

(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 employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The company operates post retirement gratuity plan with LIC of India. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Change in defined benefit obligations:		
Obligation at the beginning of the year	66.80	30.67
Current service costs	21.06	18.83
Past service costs	-	-
Interest costs	4.73	2.30
Benefits paid	(2.66)	-
Increase / (Decrease) due to effect of any business combination / divesture / transfer	16.71	20.46
Remeasurements - Due to Demographic Assumptions	0.27	-
Remeasurements - Due to Financial Assumptions	2.84	16.70
Remeasurements - Due to Experience Adjustments	(19.85)	(22.16)
Obligation at the end of the year	89.89	66.80
Change in plan assets:		
Fair value of plan assets at the beginning of the year	73.55	44.24
Interest income	6.20	3.55
Employer's contributions	27.23	6.13
Benefits paid	(2.66)	-
Adjustment to the Opening Balance	5.28	-
Increase / (Decrease) due to effect of any business combination / divesture / transfer	16.71	20.46
Remeasurement (gains)/losses	2.36	(0.83)
Fair value of plan assets at the end of the year	128.67	73.55
Expenses recognised in the statement of profit and loss consists of:		
Employee benefits expense:		
Current service costs	21.06	18.83
Past service costs	-	-
Net interest expenses	(1.47)	(1.25)
	19.59	17.58
Other comprehensive income:		
(Gain)/loss on plan assets		
Remeasurements - Due to Demographic Assumptions	0.27	-
Remeasurements - Due to Financial Assumptions	2.84	16.70
Remeasurements - Due to Experience Adjustments	(19.85)	(22.16)
(Return) on Plan Assets (Excluding interest Income)	(2.36)	0.83
Total OCI	(19.10)	(4.63)
Expenses recognised in the statement of profit and loss	0.49	12.95
Amounts recognised in the balance sheet consist of:		
Fair value of plan assets at the end of the year	128.67	73.55
Present value of obligation at the end of the year	89.89	66.80
Recognised as:		
Retirement benefit liability - Non-current	85.98	63.53
Retirement benefit liability - Current	3.91	3.27

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, 2026 is Rs. 29.95 lakhs.

(d) Significant estimates and sensitivity analysis

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

Particulars	Key assumptions	Defined benefit obligation			
		Increase in assumption by		Decrease in assumption by	
March 31, 2025	Rate	March 31, 2025	Rate	March 31, 2025	Rate
Discount rate	6.98%	1%	(11.12)	1%	13.51
Salary growth rate	7.00%	1%	13.58	1%	(11.38)
Mortality Rate	100.00%	10%	-	10%	-
Attrition rate	3.40%	1%	(0.46)	1%	0.47

Particulars	Key assumptions	Defined benefit obligation			
		Increase in assumption by		Decrease in assumption by	
March 31, 2024	Rate	March 31, 2024	Rate	March 31, 2024	Rate
Discount rate	7.22%	1%	(7.96)	1%	9.64
Salary growth rate	7.00%	1%	9.72	1%	(8.17)
Mortality Rate	100.00%	10%	-	10%	(0.01)
Attrition rate	4.00%	1%	(0.18)	1%	0.15

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:

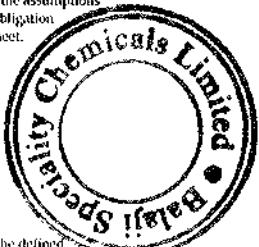
The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

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.



BALAJI SPECIALITY CHEMICALS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts are in Rs Lakhs, except for share data or as otherwise stated)

35. Capital management**(a) Capital management and gearing ratio**

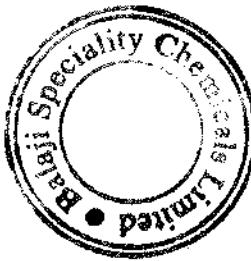
For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the company's capital management is to maximise the shareholder value.

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

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Borrowings		
Current	909.09	909.09
Non-current	151.52	1,060.61
Debt	1,060.61	1,969.70
Equity		
Equity share capital	4,000.00	4,000.00
Other equity	38,914.32	38,556.89
Total capital	42,914.32	42,656.89
Gearing ratio in % (debt/ equity)	2.47%	4.62%

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

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2025 and March 31, 2024.



BALAJI SPECIALITY CHEMICALS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts are in Rs Lakhs, except for share data or as otherwise stated)

36. Financial instruments and risk management

Fair values

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

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

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

(i) Categories of financial instruments

Particulars	Level	As at March 31, 2025		As at Mar 31 2024	
		Carrying amount	Fair value*	Carrying amount	Fair value*
Financial assets					
Measured at amortised cost:					
Non-current					
Other financial assets	3	184.86	184.86	127.02	127.02
Current					
Trade receivables	3	3,203.65	3,203.65	5,818.52	5,818.52
Cash and cash equivalents	3	11,040.17	11,040.17	5,030.03	5,030.03
Other bank balances	3	5.14	5.14	8,376.73	8,376.73
Other financial assets	3	7.98	7.98	6.67	6.67
Measured at FVTPL:					
Non-current					
Investments	3	-	-	-	-
Current					
Investments	1	-	-	-	-
Total		14,441.80	14,441.80	39,358.97	19,358.97
Financial liabilities					
Measured at amortised cost:					
Non-current					
Borrowings	3	151.52	151.52	1,060.61	1,060.61
Lease liabilities	3	-	-	0.65	0.65
Current					
Borrowings	3	909.09	909.09	909.09	909.09
Trade payables	3	503.03	503.03	581.12	581.12
Lease liabilities	3	0.65	0.65	7.24	7.24
Other financial liabilities	3	470.89	470.89	530.58	530.58
Total		2,035.18	2,035.18	3,089.29	3,089.29

*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 (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

There are no transfers between levels 1 and 2 during the year. The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

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

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.



BALAJI SPECIALITY CHEMICALS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts are in Rs Lakhs, except for share data or as otherwise stated)

(A) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk and price risk. Financial instruments affected by market risk include loans and borrowings, trade receivables and trade payables involving foreign currency exposure. The sensitivity analyses in the following sections relate to the position as at March 31, 2025 and March 31, 2024.

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 2025 and 31 March 2024.

(i) Foreign currency exchange rate risk

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

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

(ii) Sensitivity

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

Foreign Currency Exposure

Particulars	As at March 31, 2025		As at March 31, 2024	
	USD	Euro	USD	Euro
Bank balances	42.31	-	-	-
Trade receivables	84.71	30.98	463.80	-
Trade payables	255.36	-	-	-
Net exposure to foreign currency risk	382.38	30.98	463.80	-

Particulars	Increase/(decrease) in profit before tax		Increase/(decrease) in other components of equity	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Change in USD				
1% increase	(1.28)	4.64	(0.96)	3.47
1% decrease	1.28	(4.64)	0.96	(3.47)
Change in Euro				
1% increase	0.31	-	0.23	-
1% decrease	(0.31)	-	(0.23)	-

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 Other currencies, where the functional currency of the entity is a currency other than US dollars and Other currencies.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. As the Company has certain debt obligations with floating interest rates, exposure to the risk of changes in market interest rates are dependent of changes in market interest rates. Management monitors the movement in interest rate and, wherever possible, reacts to material movements in such rates by restructuring its financing arrangement.

As the Company has no significant interest bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

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

Particulars	Increase/(decrease) in profit before tax		Increase/(decrease) in other components of equity	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Change in interest rate				
increase by 100 basis points	(13.91)	(38.87)	(10.41)	(29.09)
decrease by 100 basis points	13.91	38.87	10.41	29.09

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



BALAJI SPECIALITY CHEMICALS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts are in Rs Lakhs, except for share data or as otherwise stated)

(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	As at March 31, 2025	As at March 31, 2024
Gross carrying amount	3,203.65	5,818.52
Expected credit losses (Loss allowance provision)	-	-
Carrying amount of trade receivables	3,203.65	5,818.52

(ii) Expected credit loss for other financial assets under simplified approach:

Particulars	As at March 31, 2025	As at March 31, 2024
Gross carrying amount	7.98	6.67
Expected credit losses (Loss allowance provision)	-	-
Carrying amount of other financial assets	7.98	6.67

(iii) 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 year

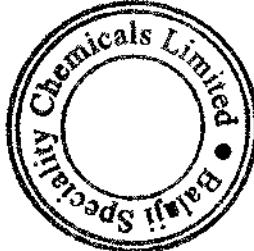
Particulars	As at March 31, 2025	As at March 31, 2024
Expiring within one year (bank overdraft and other facilities)	5,000.00	5,000.00

(ii) Maturities of financial liabilities

Contractual maturities of financial liabilities as at :

Particulars	As at March 31, 2025		As at March 31, 2024	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Borrowings	909.09	151.52	909.09	1,060.61
Lease liabilities	0.65	-	7.24	0.65
Trade payables	503.03	-	581.12	-
Other financial liabilities	470.89	-	530.58	-
Total	1,883.66	151.52	2,028.03	1,061.26

(iii) Management expects finance costs to be incurred for the year ending March 31, 2026 is Rs. 454.50 Lakhs.



BALAJI SPECIALITY CHEMICALS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts are in Rs Lakhs, except for share data or as otherwise stated)

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. 'Speciality Chemicals' only.

b) Information about geographical segments

Particulars	As at March, 31, 2025	As at March, 31, 2024
Geographical segment assets		
India		
Current	18,164.45	22,952.05
Non Current	26,658.08	23,783.12
Outside India		
Current	115.69	463.80
Non Current	2,185.88	700.53
TOTAL	47,124.10	47,899.50

Particulars	As at March, 31, 2025	As at March, 31, 2024
Geographical segment revenue		
India		
Revenue from operations	11,448.26	27,246.45
Outside India	1,602.81	2,792.18
Revenue from operations	13,051.07	30,043.57

(c) Information about products:

Revenue from external customers - Sale of Chemicals : Rs.13,057.54 lakhs (P.Y. 30,043.57 lakhs)

(d) Information about major customers:

Sales to one of the customer of the company exceed 10% of the total revenue of company individually, the revenue from the customers is disclosed below:
Customer 1 - Rs. 7464.51 lakhs

38. Ind AS 115 - Revenue from contracts with customers

(A) The Company is primarily in the business of manufacture and sale of Speciality Chemicals. All product sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch or delivery. 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.

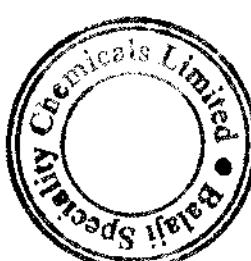
Reconciliation of revenue recognised from contract liability (Advance from customers):

(B) Particulars	As at March, 31, 2025	As at March, 31, 2024
Opening contract liability	1.66	1.83
Add: Addition to contract liability during the year	159.43	533.87
Less: Recognised as revenue during the year	(160.96)	(534.05)
Closing contract liability	0.13	1.66

(C) Particulars	As at March, 31, 2025	As at March, 31, 2024
Revenue from contract with customer as per contract price	13,081.59	30,112.31
Less: Discounts and incentives	-	(66.48)
Less: Sales Returns/credits/reversals	(24.05)	(2.26)
Revenue from contract with customer as per statement of profit and loss	13,057.54	30,043.57

(D) Disaggregation of revenue from contracts with customers

Particulars	As at March, 31, 2025	As at March, 31, 2024
India	11,454.73	27,251.39
China	42.49	757.29
Turkey		57.70
USA	522.11	1,080.91
Germany	96.35	51.44
Belgium	103.24	-
United Kingdom		78.83
UAE	55.26	90.92
Italy	270.50	112.12
Spain	512.86	545.48
Singapore		17.49
Indonesia		
TOTAL	13,057.54	30,043.57



BALAJI SPECIALITY CHEMICALS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2025
(All amounts are in Rs Lakhs, except for share data or as otherwise stated)

39. Analytical Ratios

S. No	Particulars	Numerator	Denominator	March 31, 2025	March 31, 2024	% Variance	Reasons for variation in excess of 25%
1	Current ratio (in times)	Total current assets	Total current liabilities	9.54	10.98	(13.04%)	
2	Debt-equity ratio (in times)	Borrowings	Total equity	0.02	0.05	(46.48%)	Repayment of Term Loan
3	Debt service coverage ratio (in times)	Earning for debt service = Net profit after taxes + Non-cash operating expenses + Interest + Other non cash adjustments	Debt services = Interest and lease payments + Principal repayments	1.30	1.82	(28.55%)	Decrease in Profits
4	Return on equity (in %)	Net profit after tax	Average total equity	0.01	0.15	(96.38%)	Decrease in Profits
5	Inventory turnover ratio (in times)	Net sales	Average inventory	5.67	10.58	(46.47%)	Decrease in Sales
6	Trade receivables turnover ratio (in times)	Net sales	Average trade receivables	2.98	3.60	(17.26%)	
7	Trade payables turnover ratio (in times)	Total purchases	Average trade payables	21.94	14.31	53.33%	Increase in credit period
8	Net capital turnover ratio	Sales	Working capital	0.82	1.49	(44.77%)	
9	Net profit ratio (in %)	Net profit after tax	Sales	0.02	0.19	(90.80%)	Decrease in Sales & profit margin
10	Return on capital employed (in %)	Earnings before interest and taxes (EBIT)	Capital employed	0.01	0.16	(91.68%)	Decrease in Sales & profit margin

Ratios are given to the extent applicable.

40. Additional regulatory information

a. Borrowings on the basis of security of current assets

The Company has borrowings from banks on the basis of security of current assets. The quarterly statements of current assets filed by the Company with banks are in agreement with the books of accounts.



BALAJI SPECIALITY CHEMICALS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2025
(All amounts are in Rs Lakhs, except for share data or as otherwise stated)

41. Note on "Code on Social Security, 2020"

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

42. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

43. The company has used an accounting software for maintaining its books of account having the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Also the audit trail is not disabled/tampered. Further, the audit trail (edit log) is preserved as per the provisions of the Companies Act. However, the feature of recording audit trail (edit log) facility at database level is not enabled.

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

As per our report of even date

For M.Anandam & Co.,

Chartered Accountants

(Firm Regn No: 000125S)

B V Suresh Kumar

Partner

Membership Number: 212187

Place: Hyderabad

Date: May 17, 2025



For and on behalf of Board of Directors

N.Rajeshwar Reddy
Managing Director
DIN : 00003854
Place: Solapur
Date: May 17, 2025

G.Hemanth Reddy
Wholetime Director
DIN : 00003868
Place: Hyderabad
Date: May 17, 2025

Abhijeet Kothadiya
Abhijeet Kothadiya
Company Secretary
M.No.A52571
Place: Solapur
Date: May 17, 2025

Pardeep Singh
Pardeep Singh Ramesh Singh Watwani
Chief Financial Officer
PAN: ABSPW1999F
Place: Solapur
Date: May 17, 2025

