



BDJ OXIDES PRIVATE LIMITED

**AUDITED
FINANCIAL STATEMENTS FOR
THE YEAR ENDED
31.03.2023**

**HEAD OFFICE :
34A, METCALFE STREET
1ST FLOOR KOLKATA-700013**



DIRECTORS' REPORT

Dear Members,

The Directors present herewith the 13th Annual Report of BDJ Oxides Private Limited (“the Company”) along with the Audited Financial Statements for the financial year ended March 31, 2023.

FINANCIAL RESULTS:

The Board of Director present the Report on Business and operations along with Financial Statement of the Company for the financial year ended March 31, 2023 in accordance with Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013.

The major financial highlights of your Company are given in the table below:

PARTICULARS	(₹ in Million)	
	F.Y. 2022-23	F.Y. 2021-22
Revenue From Operation	4,624.06	3,643.57
Other Income	31.13	24.24
Total Income	4,655.19	3667.81
Profit Before Depreciation, Finance Cost and Tax	506.04	433.58
Less: Finance Cost	55.45	56.82
Less: Depreciation	27.58	19.83
Profit Before Tax	423.01	356.93
Less: Tax Expense	108.25	92.86
Profit after Taxation (PAT)	314.76	264.07
Earning per equity share (in ₹)	1,185.80	923.41

DIVIDEND

Your Directors do not recommend any dividend on the Equity Shares of the Company for Financial Year (FY) ended 31st March, 2023 considering its growth requirements.

PERFORMANCE & ANALYSIS

During the year, the revenue for FY 2023 was ₹ 4,624.06 Million, higher by 26.91 percent over the previous year's revenue of ₹ 3643.57 Million. The Profit after Tax in FY 2023 was ₹ 314.76 Million registering a growth of 19.20 percent over the Profit after Tax of ₹ 264.07 Million in FY 2022. Zinc Sulphate as new product has sold. We have also commenced the production and sale of new product Zinc Sulphate with effect from September 5, 2022, and November 15, 2022, respectively.

BDJ Oxides Private Limited

(AN ISO 9001, 14001, 45001 CERTIFIED COMPANY)

34A, Metcalfe Street, 1st Floor, Kolkata – 700 013, India, Phone : +91 33 40140100, Fax : +91 33 40140199

Email : info@bdjgroup.com, Web : www.bdjgroup.com

CIN: U24100WB2010PTC154602



There was no change in the nature of business of the Company during the year under review.

INDIAN ACCOUNTING STANDARDS

The financial statements for the financial year 2022-23 have been prepared in accordance with the applicable Indian Accounting Standards (IND-AS).

MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments, which affect the financial position of the company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

TRANSFER TO RESERVES

The Board of Directors has decided to retain the entire amount of profit and loss account. Accordingly, the Company has not transferred any sum out of the profit during the year to its Reserves.

DIVIDEND

The Board of Directors of the Company did not recommend any dividend for the F.Y. 2022-23.

DEPOSITS

The Company has not accepted any Deposits from public within the meaning of section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. No amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

SHARE CAPITAL

Authorised Share Capital:

The present Authorised Share Capital of the company is ₹ 5 Million divided into 0.5 Million equity shares of ₹ 10/- each. There has been no change in the Authorized Share Capital of the Company in the financial year.

Issued and Paid-Up Share Capital:

The complete details has been provided in note number 14 of Standalone Financial Statement of Accounts as on 31.03.2023.

BOARD OF DIRECTORS

Mr. Anirudh Jhunjunwala was appointed as Managing Director with effect from 1st April, 2021. During the Year, Mr. Anuj Jhunjunwala resigned from the position of Joint Managing Director of the Company and his designation was changed to Non-Executive Director with effect from 16th May, 2022. Further, Mr. Ashok Bhandari has been appointed as the Non-Executive Independent Director of the Company with effect from 25th August, 2022.

BDJ Oxides Private Limited

(AN ISO 9001, 14001, 45001 CERTIFIED COMPANY)

34A, Metcalfe Street, 1st Floor, Kolkata – 700 013, India, Phone : +91 33 40140100, Fax : +91 33 40140199

Email : info@bdjgroup.com, Web : www.bdjgroup.com

CIN: U24100WB2010PTC154602



In the opinion of the Board, the independent directors appointed during the year possess requisite integrity, expertise, experience and proficiency.

None of the Directors of the Company are disqualified as per section 164(2) and any other provisions of the Companies Act, 2013. The Directors have also made necessary disclosures to the extent as required under provisions of section 184(1) as applicable.

MEETINGS OF THE BOARD

During the financial year under review the Board of Directors duly met 9 (nine) times respectively as mentioned below:

Sr No.	Board Meeting Date	Sr No.	Board Meeting Date
1	04.04.2022	6	25.08.2022
2	16.05.2022	7	16.11.2022
3	25.05.2022	8	04.01.2023
4	21.06.2022	9	06.03.2023
5	17.08.2022		

The gap between any two Board Meetings did not exceed 120 days as provided in the Companies Act, 2013.

The names of members of the Board, their attendance at the Board Meetings during the financial year 2022-23 are as under:

Name of Directors	Total Meetings held	Number of Meetings attended
Mr. Anuj Jhunjhunwala	9	9
Mr. Anirudh Jhunjhunwala	9	9
Mr. Ashok Bhandari	3	3

DIRECTORS' RESPONSIBILITY STATEMENT:

The financial statements are prepared in accordance with Indian Accounting Standard (IndAs) on accrual basis which are measured at fair values, and the provisions of the Companies Act 2013. Based on the framework of compliance systems established by the Company, the review performed by the statutory auditors and review performed by the Management, the Board is of the opinion that the Company's compliance systems were adequate and effective during the financial year 2022-23.

Accordingly, pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- (ii) they have in selection of accounting policies, consulted the statutory auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year;

BDJ Oxides Private Limited

(AN ISO 9001, 14001, 45001 CERTIFIED COMPANY)

34A, Metcalfe Street, 1st Floor, Kolkata – 700 013, India, Phone : +91 33 40140100, Fax : +91 33 40140199

Email : info@bdjgroup.com, Web : www.bdjgroup.com

CIN: U24100WB2010PTC154602



- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual financial statements on a going concern basis; and
- (v) they have devised proper system, to ensure compliance with the provisions of all applicable laws, which are adequate and operating effectively.
- (vi) Internal Financial controls were laid down to be followed and that such internal financial controls were adequate and operating effectively

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

As on March 31, 2023, the Company had no subsidiaries, joint ventures or associates. A statement in Form No. AOC-1 is not required to annexed to the financial statement.

HOLDING COMPANY

M/s. J.G. Chemicals Limited (formerly known as J.G. Chemicals Private Limited) continues to be the Holding Company of your Company. The Board of Directors of your Holding Company approved its Initial Public Offer through Fresh Issue and Offer for Sale at its meeting held on September 27, 2022 and approved the issue size of up to ₹ 2,025.00 million from fresh issue of Equity Shares and an offer for sale of up to ₹ 5.7 million Equity Shares held by certain existing members (including promoters/promoter group). The draft red herring prospectus of your Holding Company was filed with the Securities and Exchange Board of India on January 5, 2023 the further process is in progress to float the IPO in suitable time on receiving necessary approvals from various Regulatory Authority.

RISK MANAGEMENT POLICY

Risk Management Policy of the Company is in place which identifies the weakness and threats faced by the Company. The Company applies its strength and effectively utilizes its opportunities available in the external environment to mitigate the foreseen risks. The Risk Management Policy, as approved by the Board on 25th May, 2022, includes identification, assessment, prioritization and mitigation of risk. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis as per the Company's Policy.

INTERNAL FINANCIAL CONTROL

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed. Further a policy on Internal Financial Control had been formulated and was approved by the Board on 25th May, 2022.

FRAUD AS PER AUDITORS REPORT

The Auditors of the company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013. Further, no case of Fraud has been reported to the Management from any other sources.

BDJ Oxides Private Limited

(AN ISO 9001, 14001, 45001 CERTIFIED COMPANY)

34A, Metcalfe Street, 1st Floor, Kolkata – 700 013, India, Phone : +91 33 40140100, Fax : +91 33 40140199

Email : info@bdjgroup.com, Web : www.bdjgroup.com

CIN: U24100WB2010PTC154602



PARTICULARS OF LOAN GIVEN, INVESTMENTS MADE OR GUARANTEES GIVEN

Details of Loans, Guarantee and Investments covered under the provision of Section 186 of the Companies Act, 2013, but no such Loans, Guarantee or Investment made during the period by the company.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts or arrangements entered into by the company with its related parties during the financial year were in accordance with the provisions of the Companies Act, 2013. All such contracts or arrangements were in the ordinary course of business and on at arm's length basis. A statement on all related party transactions carried out during the year is provided in the note no 33 annexed to Standalone Financial Statement as on 31.03.2023. All the transaction are as per policy of the Company and as approved by the Board.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility is an integral part of the Company's ethos and policy and it has been pursuing this on a sustained basis. The Annual Report on CSR activities of the Company as required under Section 134(3)(o) read with Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (CSR Rules), is provided in "Annexure-I" to this Report. CSR expenditure made during the year are as per the policy of the company and as approved by the Board.

CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, as stipulated under Section 134(3)(m) of the Companies Act, 2013, read with Rule, 8 of the Companies (Accounts) Rules, 2014, is provided in "Annexure-II" to this Report.

AUDITORS:

Statutory Auditors' and Audit Report

M/s. B. Chhawchharia & Co, Chartered Accountants (FRN: 305123E), had been appointed for period of Five years commencing from the conclusion of 8th Annual General Meeting till the conclusion of 13th Annual General Meeting. The statutory Auditor of the Company resigned vide a letter dated 11th August, 2022 setting reason for inadequate remuneration.

Pursuant to provisions of section 139 of the Companies Act, 2013, M/s. S Jaykishan, Chartered Accountants (FRN: 309005E), was appointed as Statutory Auditors of the Company due to Casual Vacancy created on resignation of M/s. B. Chhawchharia & Co, Chartered Accountants (FRN: 305123E), for period of one year commencing from the conclusion of 13th Annual General Meeting till the conclusion of 14th Annual General Meeting.

Statutory Auditor's comments on the Annual Financial Statements of the Company for the year ended 31st March 2023, are self-explanatory and do not require any explanation as per provision of Section 134(3)(f) of the Companies Act, 2013.

BDJ Oxides Private Limited

(AN ISO 9001, 14001, 45001 CERTIFIED COMPANY)

34A, Metcalfe Street, 1st Floor, Kolkata – 700 013, India, Phone : +91 33 40140100, Fax : +91 33 40140199

Email : info@bdjgroup.com, Web : www.bdjgroup.com

CIN: U24100WB2010PTC154602



There were no disqualifications, reservation or adverse remarks or disclaimer made by the Statutory Auditor in their reports on the Annual Financial Statement of the Company for the year under review.

Internal Auditors

The internal audit function is carried out by reputed external professional firm covering major business operations, which ensures the effectiveness of existing processes, controls and compliances. During the year under review, M/s. S.S. Kothari Mehta & Company, Chartered Accountants, has conducted internal audit of M/s. BDJ Oxides Private Limited for the financial year 2022-23 and submitted their report to the Board.

Cost Auditors

During the financial year 2022-23, M/s. D. Banerjee & Associates were re-appointed as the Cost Auditor to conduct Audit of the Cost Accounting records maintained by the Company. The Cost Audit Report is submitted by Cost Auditors to the Board. The Cost Audit Report will be filed within the period stipulated under the Companies Act, 2013.

Secretarial Auditor

The Board had appointed M/s. K. Arun & Co., Company Secretaries, to conduct Secretarial Audit for the financial year 2022-23. The Secretarial Audit Report for the financial year ended 31st March, 2023 is annexed herewith and marked as “Annexure III” to this Report.

INVESTOR EDUCATION AND PROTECTION FUND

The Company has neither declared any dividend nor any dividend has remained unclaimed. So no amount to be required to be transferred to the INVESTOR EDUCATION AND PROTECTION FUND for the Financial Year ended 31.03.2023.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE [“POSH”]

The Company had formulated Policy on prevention of Sexual Harassment at Workplace (POSH) and the same had been approved by the Board on 25th May, 2022. The Company follows the provision of POSH. There was no incidence of sexual harassment reported during the year under review. No complaint had been received as on date.

ACKNOWLEDGEMENT:

The Board wishes to place on record its appreciation for the assistance, cooperation and encouragement extended to the Company by the Company’s customers, suppliers and bankers.

The Directors take this opportunity to place on record their warm appreciation for the valuable contribution, untiring efforts and spirit of dedication demonstrated by the employees and officers at all levels, in the sure and steady progress of the Company.

BDJ Oxides Private Limited

(AN ISO 9001, 14001, 45001 CERTIFIED COMPANY)

34A, Metcalfe Street, 1st Floor, Kolkata – 700 013, India, Phone : +91 33 40140100, Fax : +91 33 40140199

Email : info@bdjgroup.com, Web : www.bdjgroup.com

CIN: U24100WB2010PTC154602



The Directors are grateful to the employees, customers, Brands, shareholders/stakeholders for their confidence and faith reposed in Board. We look forward to their continued support in future.

**By Order of the Board of Directors
For BDJ Oxides Private Limited**

**Date: 03/07/2023
Place: Kolkata**

Anirudh Jhunjunwala
Managing Director
(DIN: 00234879)

Anuj Jhunjunwala
Director
(DIN: 00234926)

BDJ Oxides Private Limited

(AN ISO 9001, 14001, 45001 CERTIFIED COMPANY)

34A, Metcalfe Street, 1st Floor, Kolkata – 700 013, India, Phone : +91 33 40140100, Fax : +91 33 40140199

Email : info@bdjgroup.com, Web : www.bdjgroup.com

CIN: U24100WB2010PTC154602



Annexure-I

Annual Report on CSR Activities March 31, 2023

[Pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. Brief Outline on CSR of the Company

On the CSR front, the Company has contributed towards several causes like Education and Health care schemes, Rural Development, Animal Welfare, Eradicating Hunger etc. These initiatives will be continued in the years to come. The Report on CSR for the financial year 2022-23 is given below, in compliance to the provisions of Section 135 of the Companies Act, 2013.

2. Composition of CSR Committee

Sl. No.	Name of Directors	Designation/ Nature of Directorship	Number of Meeting of CSR Committee held during the year*	Number of Meeting of CSR Committee attended during the year*
1	Mr. Anirudh Jhunjhunwala	Chairman	Not Applicable	Not Applicable
2.	Mr. Anuj Jhunjhunwala	Member	Not Applicable	Not Applicable

** As per Section 135(9) of the Companies Act, 2013, if a Company's CSR amount is upto Rupees Fifty Lakhs, constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee, be discharged by the Board of Directors of such company. As the CSR amount of your Company is not exceeding Rupees Fifty Lakhs, the CSR activities of the Company are maintained through the Board of Directors.*

3. Provide the web-link where CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: NA
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable- NA
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

BDJ Oxides Private Limited

(AN ISO 9001, 14001, 45001 CERTIFIED COMPANY)

34A, Metcalfe Street, 1st Floor, Kolkata – 700 013, India, Phone : +91 33 40140100, Fax : +91 33 40140199

Email : info@bdjgroup.com, Web : www.bdjgroup.com

CIN: U24100WB2010PTC154602



(In Million)

Sl No.	Financial Year	Amount Available for Set off from Preceding Financial years	Amount Required to be set off for the financial year, if any
1.	2022-23	0.25	0.17

6. Average net profit of the Company as per Section 135(5) of the Act: ₹ 237.20 million
7. a) Two % of average net profit of the Company as per Section 135(5) of the Act: ₹ 4.74 million
- b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
- c) Amount required to be set off for the financial year- ₹ 0.17 million
- d) Total CSR obligation for the financial year (7A+7B-7C) - ₹ 4.57 million
8. a) CSR amount spent or unspent for the financial year: ₹

(₹ in Million)

Total Amount Spent for the Financial Year	Amount Unspent				
	Total Amount transferred to unspent CSR Account as per section 135(6) of the Act.		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) of the Act		
	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer
4.57	-	-	-	-	-

- b) Details of CSR amount spent against ongoing projects for the financial year: - NIL

BDJ Oxides Private Limited

(AN ISO 9001, 14001, 45001 CERTIFIED COMPANY)

34A, Metcalfe Street, 1st Floor, Kolkata – 700 013, India, Phone : +91 33 40140100, Fax : +91 33 40140199

Email : info@bdjgroup.com, Web : www.bdjgroup.com

CIN: U24100WB2010PTC154602



c) Details of CSR amount spent against other than ongoing projects for the financial year:

(₹ in Million)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)
				State.	District.			
Sl. No	Name of the Project	Item from the list of activities in schedule VII to the Act.	Loca area (Yes/No)	Location of the project		Amount spent for the project	Mode of Implem entatio n - Direct (Yes/No)	Mode of implementation - Through implementing agency Direct
1.	Education	Contribution towards training and education of the Under Privileged	Yes	Andhra Pradesh	Tirupati	0.063	Yes	Direct Govt. of Andhra Pradesh, Police Department
2.	Rural Development	Rural development	Yes	Andhra Pradesh	Tirupati	2.001	Yes	Direct
3.	Health Care	Health Care	Yes	West Bengal	Kolkata	0.410	Yes	Direct
4.	Animal Welfare	Contribution towards Animal Welfare	Yes	West Bengal	Kolkata	2.100	No	Rajasthan Gokalyan, Kolkata – CSR No. CSR 00007434
TOTAL						4.574		

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: N.A

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 4.57 million

BDJ Oxides Private Limited

(AN ISO 9001, 14001, 45001 CERTIFIED COMPANY)

34A, Metcalfe Street, 1st Floor, Kolkata – 700 013, India, Phone : +91 33 40140100, Fax : +91 33 40140199

Email : info@bdjgroup.com, Web : www.bdjgroup.com

CIN: U24100WB2010PTC154602



(g) Excess amount for set off, if any

Sl No	Particulars	Amount (In Million)
(i)	Two percent of average net profit of the Company as per Section 135(5) of the Act	4.74
(ii)	Total amount spent for the Financial Year*	4.74
(iii)	Amount set off for the financial year [(i)-(ii)]	0.00
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.00

Note: *Including 0.17 Million set off from earlier years

9. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: NA

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

10. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): NA

By Order of the Board of Directors
For BDJ Oxides Private Limited

Date: 03/07/2023

Place: Kolkata


Anirudh Jhunjunwala
Managing Director &
Chairman CSR Committee
(DIN: 00234879)


Anuj Jhunjunwala
Director & Member CSR
Committee
(DIN: 00234926)

BDJ Oxides Private Limited

(AN ISO 9001, 14001, 45001 CERTIFIED COMPANY)

34A, Metcalfe Street, 1st Floor, Kolkata – 700 013, India, Phone : +91 33 40140100, Fax : +91 33 40140199

Email : info@bdjgroup.com, Web : www.bdjgroup.com

CIN: U24100WB2010PTC154602



Annexure-II

Information as per Section 134(3)(m), read with the Rule 8(3) of Companies (Accounts) Rules, 2014 for the year ended 31 March 2023:

Conservation of energy

Sl. No.	Particulars	Description
1.	Steps taken or impact on conservation of energy	During the year, the Company has introduced 1) Installation of Variable Frequency Drives for production of Blowers. 2) Installation of Energy efficient lights across its operations. 3) Installation of Waste Heat Recovery and Recycle Systems.
2.	Steps taken by the Company for utilizing alternate source of energy	The Company is evaluating use of alternative energy saving products such as LED Lights, Solar Panels etc., in its plants for conservation of energy.
3.	Capital investment on energy conservation equipment.	₹ 0.59 million

Technology absorption

Sl. No.	Particulars	Description
1.	Efforts made towards technology absorption	In-house Research & Development play a vital role in the following areas:- 1. Improvement in quality and enhanced output by process control; 2. Finding alternate means to save energy and cost; 3. Development of new products and grades; 4. Re-cycling the waste and optimum utilization thereof; 5. Automation of material handling systems. 6. Imparting modernised training and guidance to Staff personnel at plant level through regular Research and Development for technology absorption
2.	Benefits derived like product improvement, reduction, product development, substitution	Maintenance of leading position in market; 1. Reduction in processing cost; 2. Improvement in quality of output in line with global standards; 3. Optimum utilization of resources by improving the quality of output and refining process technology.
3.	Expenditure incurred on Research and Development.	NIL

BDJ Oxides Private Limited

(AN ISO 9001, 14001, 45001 CERTIFIED COMPANY)

34A, Metcalfe Street, 1st Floor, Kolkata – 700 013, India, Phone : +91 33 40140100, Fax : +91 33 40140199

Email : info@bdjgroup.com, Web : www.bdjgroup.com

CIN: U24100WB2010PTC154602



Foreign Exchange Earnings and Outgo

Total foreign exchange used and earned during the year:

Particulars	(In Million)	
	2022-23	2021-22
Total foreign exchange earned	21.24	4.39
Total foreign exchange outgo	2910.66	2342.95

By Order of the Board of Directors
For BDJ Oxides Private Limited

Date: 03/07/2023
Place: Kolkata


Anirudh Jhunjhunwala
Managing Director
(DIN: 00234879)


Anuj Jhunjhunwala
Director
(DIN: 00234926)

BDJ Oxides Private Limited

(AN ISO 9001, 14001, 45001 CERTIFIED COMPANY)

34A, Metcalfe Street, 1st Floor, Kolkata – 700 013, India, Phone : +91 33 40140100, Fax : +91 33 40140199

Email : info@bdjgroup.com, Web : www.bdjgroup.com

CIN: U24100WB2010PTC154602



Independent Auditor's Report

To the Members of BDJ Oxides Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **BDJ Oxides Private Limited** ('the Company'), which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS'), of the state of affairs of the Company as at 31st March 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing 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 ('ICAI') 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 audit opinion on the financial statements.

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including annexures to the Board's 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 accompanying financial statements have been approved by the Company's Board of Directors. 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 state of affairs, profit including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act, and other accounting principles generally accepted in India. 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is 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 Standards on Auditing 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 Standards on Auditing, we exercise professional judgment and maintain professional scepticism 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 financial controls 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 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 the 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 statement 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.



Report on Other Legal and Regulatory Requirements

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 the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by section 143(3) of the Act, we report, to the extent applicable, 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 purpose of our audit of the accompanying financial statements;
- b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss and the 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 specified under Section 133 of the Act read with relevant rules issued thereunder;
- e. on the basis of the written representations received from the directors as on 31st March, 2023 and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act;
- f. with respect to the adequacy of the internal financial controls over financial reporting (IFCoFR) of the Company and the operating effectiveness of such controls refer to our separate report in **Annexure 'B'**.
- g. In accordance with the requirements of section 197(16) of the Act, 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 provisions of section 197 of the Act.
- h. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigations, other than those disclosed in the financial statements; which would materially impact its financial position. Refer note no. 34 to the financial statement;
 - ii. the Company has made provision, as required under the applicable laws or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. there is no amount, required to be transferred, to the Investor Education and Protection Fund by the Company.



- iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the 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 ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
- (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the 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; and
- (c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year ended 31st March, 2023.

For S. JAYKISHAN
Chartered Accountants
FRN: 309005E



CA Vishal Agarwal
Partner

Membership No: 315490

Date: Date: The 3rd day of July, 2023

Place: Kolkata

UDIN: 23315490B9UEWN6902



Annexure A to the Auditor's Report

The Annexure referred to in Independent Auditor's Report of even date to the members of BDI Oxides Private Limited, on the financial statements for the year ended 31st March, 2023

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of all the immovable properties held by the Company are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed. In respect of inventory lying with third parties, these have been confirmed by subsequent receipt of statement from the third parties.
- (b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets; the difference between the quarterly returns or statements filed by the company with the banks and the books of account of the Company is on account of explainable items and not material in nature.
- (iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.



- (iv) According to the information and explanations given to us, the Company has neither granted any loan nor made any investment or provided guarantee or security during the year. In view of this, clause 3(iv) of the Companies (Auditor's Report) Order, 2020 is not applicable.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has prescribed maintenance of cost records under section 148(1) of the Act, for the Company. We have broadly reviewed such accounts and records and are of the opinion that prima facie, the prescribed accounts & records have been made & maintained but no detailed examination of such records and accounts have been carried out by us.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted and accrued in the books of account in respect of undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding on the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Amount (Rs. In Millions)	Period to which the amount relates	Forum where dispute is pending
Entry Tax	Tax	0.48	2016-17	Writ petition is pending before the Hon'able High Court of Andhra Pradesh.
Entry Tax	Tax	0.39	2017-18	Writ petition is pending before the Hon'able High Court of Andhra Pradesh.

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.



- (b) According to the information and explanations given to us including confirmations received from banks/ financial institution and/or other lenders and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.
- (e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instrument) during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.



- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.
- (xviii) The previous statutory auditor of the Company resigned during the year. There were no issues, objections or concerns raised by the outgoing auditors.
- (xix) According to the information and explanations given to us and 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, our knowledge of the plans of the Board of Directors and management, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is 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) There are no unspent amounts towards Corporate Social Responsibility (CSR) requiring transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, paragraph 3(xx)(a) and (b) of the Order are not applicable.

For S. JAYKISHAN
Chartered Accountants
FRN: 309005E



CA Vishal Agarwal
Partner

Membership No: 315490

Date: The 3rd day of July, 2023

Place: Kolkata

UDIN: 23315490B4UEWN6902



Annexure B to the Auditor's Report

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

In conjunction with our audit of the financial statements of **BDJ OXIDES PRIVATE LIMITED** ("the Company") as of and for the year ended 31st March 2023, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company as of that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls over financial reporting issued by 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's IFCoFR 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 Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of IFCoFR. 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 IFCoFR 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, 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 evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.



Meaning of Internal Financial Controls over Financial Reporting

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

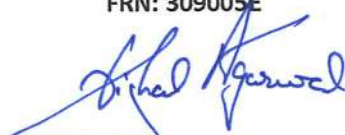
Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, based 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 ICAI.

For S. JAYKISHAN
Chartered Accountants
FRN: 309005E



CA Vishal Agarwal
Partner

Membership No: 315490

Date: Date: The 3rd day of July, 2023

Place: Kolkata

UDIN: 23315490B90EWN6902



BDJ OXIDES PRIVATE LIMITED
CIN: U24100WB2010PTC154602
BALANCE SHEET AS AT 31st MARCH, 2023

(All amount in INR Millions unless otherwise stated)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	3	299.81	170.39
(b) Capital work-in-progress	4	4.69	73.82
(c) Intangible Assets	5	-	-
(d) Financial Assets:			
Other Financial Assets	6	3.55	2.96
(e) Other Non-Current Assets	7	4.65	7.59
Total Non-current assets		312.70	254.76
(2) Current assets			
(a) Inventories	8	756.80	448.54
(b) Financial Assets:			
(i) Trade Receivables	9	653.30	546.89
(ii) Cash and Cash Equivalents	10	0.51	19.01
(iii) Bank Balances other than (ii) above	11	9.83	8.59
(iv) Other Financial Assets	12	11.48	12.06
(c) Other Current Assets	13	37.54	127.20
Total current assets		1,469.46	1,162.27
TOTAL ASSETS		1,782.16	1,417.03
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	14	2.66	2.66
(b) Other Equity	15	953.43	638.19
Total Equity		956.09	640.85
Liabilities			
(1) Non-current liabilities			
(a) Financial Liabilities:			
Borrowings	16	67.15	55.55
(b) Provisions	17	2.85	2.38
(c) Deferred tax liabilities (net)	18	4.33	0.43
Total Non-current liabilities		74.33	58.35
(2) Current liabilities			
(a) Financial Liabilities:			
(i) Borrowings	19	670.43	642.18
(ii) Trade Payables	20		
- Total outstanding dues of micro enterprises and small enterprises		4.11	4.93
- Total outstanding dues of creditors other than micro enterprises and small enterprises		47.15	16.69
(iii) Other Financial Liabilities	21	16.08	22.33
(b) Other Current Liabilities	22	2.55	17.57
(c) Provisions	23	7.18	5.74
(d) Current Tax Liabilities (net)	24	4.24	8.41
Total current liabilities		751.74	717.85
TOTAL EQUITY AND LIABILITIES		1,782.16	1,417.03

Significant accounting policies and notes to financial statements 1-47

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For S. Jaykishan
Chartered Accountants
Firm's Registration Number :309005E



CA Vishal Agarwal
Partner
Membership No. 315490
Place : Kolkata
Date : The 3rd day of July, 2023.



For and on behalf of the Board of Directors of
BDJ Oxides Private Limited

For BDJ Oxides Private Limited



Anirudh Jhunjunwala
DIN No. 00234879
Managing Director

For BDJ Oxides Private Limited



Anuj Jhunjunwala
DIN No.00234926
Director

BDJ OXIDES PRIVATE LIMITED
CIN: U24100WB2010PTC154602
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2023

(All amount in INR Millions unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
I. Revenue from Operations	25	4,624.06	3,643.57
II. Other Income	26	31.13	24.24
III. Total Income (I+II)		4,655.19	3,667.81
IV. Expenses			
Cost of Materials Consumed	27	3,827.11	2,932.89
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-	28	(77.88)	(25.41)
Employee Benefits Expense	29	59.96	69.21
Finance Costs	30	55.45	56.82
Depreciation and Amortisation Expense	3	27.58	19.83
Other Expenses	31	339.96	257.54
Total Expenses (IV)		4,232.18	3,310.88
V. Profit/ (loss) before tax (III-IV)		423.01	356.93
VI. Tax expense:	32		
(a) Current tax		104.50	94.13
(b) Deferred tax		3.75	(1.17)
(c) Income tax adjustment for the earlier years		(0.01)	(0.10)
VII. Profit/ (loss) for the year (V-VI)		314.76	264.07
VIII. Other Comprehensive Income:			
(i) Items that will not be reclassified to profit or loss			
a. Remeasurements of the defined benefit plans		0.64	0.62
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.16	0.16
		0.48	0.46
IX. Total Comprehensive Income for the year (VII+VIII)		315.24	264.53
(Comprising Profit / (Loss) and Other Comprehensive Income for the year)			
X. Earning per equity share:	36		
Basic and Diluted (in ₹) (FV of ₹ 10 each)		1,185.08	923.41

Significant accounting policies and notes to financial statements

1-47

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For and on behalf of the Board of Directors of
BDJ Oxides Private Limited

For S. Jaykishan
Chartered Accountants
Firm's Registration Number :309005E

For BDJ Oxides Private Limited




CA Vishal Agarwal
Partner
Membership No. 315490
Place : Kolkata
Date : The 3rd day of July, 2023.



Director
Anirudh Jhunjunwala
DIN No. 00234879
Managing Director

For BDJ Oxides Private Limited



Director
Anuj Jhunjunwala
DIN No.00234926
Director

BDJ OXIDES PRIVATE LIMITED
CIN: U24100WB2010PTC154602
STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2023

(All amount in INR Millions unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cash flow from operating activities		
Profit before tax	423.01	356.93
Adjustment for non cash/ non operating item to reconcile profit before tax to net cash flows :		
Depreciation and amortization	27.58	19.83
Sundry credit balances written back	(0.01)	(0.19)
Interest Income	(0.33)	(0.87)
Provision for Employee Benefits	2.55	6.95
Finance Cost	55.45	56.82
Operating profit before working capital changes	508.24	439.48
Movements in working capital :		
Decrease/(increase) in inventories	(308.26)	(154.56)
Increase/(decrease) in trade and other payables	8.37	(52.13)
Decrease/(increase) in trade and Other receivables	(106.42)	(37.89)
Decrease/(increase) in Other financial assets and other assets	90.89	22.54
Cash generated from / (used in) operations	192.83	217.43
Direct taxes paid (net of refunds)	108.67	102.40
Net Cash flow from / (used in) operating activities (A)	84.16	115.03
Cash flow from investing activities		
Purchase of Property, Plant and Equipment including intangible assets, CWIP	(87.86)	(82.48)
Interest income	0.80	0.68
Net Cash flow from / (used in) investing activities (B)	(87.07)	(81.81)
Cash flow from financing activities		
Buy Back of Shares (including tax expenses)	-	(50.87)
Proceeds from long-term borrowings	37.42	46.30
Repayment of long-term borrowings	(25.82)	(45.32)
Proceeds / (Repayment) from short-term borrowings (net)	28.25	103.05
Interest paid	(55.45)	(67.99)
Net Cash flow from / (used in) financing activities (C)	(15.59)	(14.82)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(18.50)	18.40
Cash and cash equivalents at the beginning of the year	19.01	0.60
Cash and cash equivalents at the end of the year	0.51	19.01

Cash and cash equivalents consists of the following for the purpose of the Cash Flow Statement:

Balances with Banks		
- In Current Accounts	0.14	18.58
- In OD Account	0.27	0.32
Cash on hand	0.10	0.11
Total cash and cash equivalents	0.51	19.01

As per our report of even date

For and on behalf of the Board of Directors of
BDJ Oxides Private Limited

For S. Jaykishan
Chartered Accountants
Firm's Registration Number :309005E



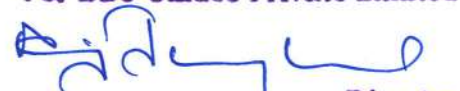
CA Vishal Agarwal
Partner
Membership No. 315490
Place : Kolkata
Date : The 3rd day of July, 2023.



For BDJ Oxides Private Limited


Director
Anirudh Jhunjunwala
DIN No. 00234879
Managing Director

For BDJ Oxides Private Limited


Director
Anuj Jhunjunwala
DIN No.00234926
Director

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2023

(All amount in INR Millions unless otherwise stated)

A. Equity Share Capital

Particulars	Year ended March 31, 2022	Year ended March 31, 2023
Balance at the beginning of the reporting period	3.32	2.66
Change in equity share capital during the current period	(0.66)	-
Balance at the end of the reporting period*	2.66	2.66

*refer note 14

B. OTHER EQUITY

Particulars	Reserves & Surplus			Items of Other Comprehensive Income	Total
	Securities Premium	Capital Redemption Reserve	Retained Earnings	Remeasurement of Defined Benefit Plans	
Balance as at 31st March, 2021	11.31	-	412.33	0.22	423.86
Profit for the Year	-	-	264.07	-	264.07
Remeasurement Gain/(Loss)	-	-	-	0.46	0.46
Redemption Reserve on Buy Back of Shares	-	0.66	-	-	0.66
Buy Back Premium	(2.39)	-	(38.78)	-	(41.17)
Tax Paid on Buy Back	-	-	(9.03)	-	(9.03)
Transfer To Capital Redemption Reserve	-	-	(0.66)	-	(0.66)
Total Comprehensive Income For The Year	(2.39)	0.66	215.60	0.46	214.33
Balance as at 31st March, 2022	8.91	0.66	627.93	0.69	638.19
Profit for the Year	-	-	314.76	-	314.76
Remeasurement Gain/(Loss)	-	-	-	0.48	0.48
Total Comprehensive Income For The Year	-	-	314.76	0.48	315.24
Balance as at 31st March, 2023	8.91	0.66	942.69	1.17	953.43

In the Financial year ended 31st march, 2022, the Company had concluded the Buyback of 66,400 Equity shares. Consequent to such buy back, an amount of ₹ 38.78 millions and 2.39 millions was utilized from Retained Earnings and securities premium respectively and Capital Redemption Reserve of ₹ 0.66 millions (representing the nominal value of shares bought back) was created as an apportionment from Retained Earnings.

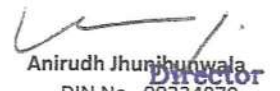
As per our report of even date
For S. Jaykishan
Chartered Accountants
Firm's Registration Number :309005E



CA Vishal Agarwal
Partner
Membership No. 315490
Place : Kolkata
Date : The 3rd day of July, 2023.

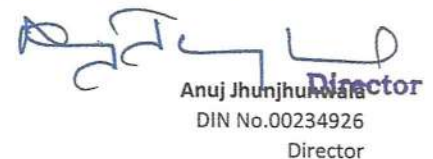


For and on behalf of the Board of Directors of
BDJ Oxides Private Limited
For BDJ Oxides Private Limited



Anirudh Jhunjhunwala
DIN No. 00234879
Director

For BDJ Oxides Private Limited



Anuj Jhunjhunwala
DIN No.00234926
Director

NOTE-1 SIGNIFICANT ACCOUNTING POLICIES

1 COMPANY OVERVIEW

BDJ Oxides Private Limited ('the Company') incorporated and registered in Kolkata, West Bengal, India, is a privately held company engaged in the business of manufacturing of Zinc Oxide and allied products.

These financial statements have been approved by the Board of Directors of the Company on 3rd July, 2023 for issue to the shareholders for their adoption.

2 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these Ind AS financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation and Presentation of Ind AS Financial Statement

(i) Compliance with Ind AS

The financial statements have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standard) Rules, 2015 as amended, and other accounting principles generally accepted in India, as a going concern on accrual basis.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hitherto in use.

(ii) Historical cost convention

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

- (i) Certain financial assets and financial liabilities measured at fair value;
- (ii) Employee's defined benefit plan as per actuarial valuation.

(iii) Use of Estimates

The Preparation of financial statements in conformity with the generally accepted accounting principles in India requires the management to make estimates and assumptions that affects the reported amount of assets and liabilities as at the balance sheet date, the reported amount of revenue and expenses for the periods and disclosure of contingent liabilities at the balance sheet date. The estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of financial statements. Actual results could differ from estimates.

(iv) Fair value measurements

Fair value is the price that would be received on sale of an asset or paid on derecognition of a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorises assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurements.

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price including within level 1 that are observable for the asset or liability, either directly (i.e. available prices) or indirectly (i.e. derived from estimation).

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

Level 3: Inputs for the assets or liabilities that are not based on observable market data.

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant input being the discount rate that reflects the credit risk of counterparty. This is applicable to listed instruments where market is not liquid and for unlisted instruments.

The management considers the carrying amounts of financial assets (other than those measured at fair values) and liabilities recognized in the financial statements are at their approximate fair value as on March 31, 2023 & March 31, 2022.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has not classified any material financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.



(v) **Functional and Presentation currency**

These financial statements are presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

(b) **Cash and Cash Equivalents**

Cash and cash equivalents include cash at banks and on hand, and fixed deposits which are subject to an insignificant risk of change in value.

(c) **Accounting for Taxes on Income**

Income Tax expense or credit for the period is the tax payable on the current period taxable income based on the applicable Income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(i) **Current Tax**

Current tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

(ii) **Deferred Tax**

Deferred Tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.

Deferred tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in other comprehensive income or in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(d) **PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS**

(i) **Property, Plant And Equipment
Recognition and Measurement**

Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at historical cost less any accumulated depreciation and accumulated impairment losses (if any). Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

Subsequent Measurement

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.



Depreciation and Amortization

Depreciation on Property, Plant & Equipment is provided under Written Down Method at rates determined based on the useful life of the respective assets and the residual values in accordance with Schedule II of the Companies Act, 2013 or as reassessed by the Company based on the technical evaluation. The estimated useful lives of assets for the current period are as follows:

<u>Category</u>	<u>Useful Life</u>
Factory Shed & Building	30 Years
Plant & Machinery (Continuous process plant)	25 Years
Plant & Machinery (General)	15 Years
Furniture & Fixtures	10 Years
Office Equipment	5 Years
Computers & Devices	3 Years
Vehicles-Motor Car	8 Years

Depreciation on additions/ disposals during the year is provided on a pro-rata basis i.e., from/ up to the date on which asset is ready for use/ disposed of.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate.

Disposal of Assets

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

(ii) **Capital Work in Progress**

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production/ use.

(iii) **Intangible Assets**

Intangible assets are stated at cost of acquisition/deemed cost on transition date, comprising of purchase price less accumulated amortization and impairment losses, if any. Depreciable amount of such assets, are allocated on systematic basis on the best estimates on straight line method.

Cost of software including directly attributable cost, if any, acquired for internal use, is allocated / amortized over a period of 3-5 years (being estimated useful life thereof) on straight line method.

(iv) **Impairment**

At each balance sheet date, the Group reviews the carrying value of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the consolidated statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the consolidated statement of profit and loss immediately.

(e) **Inventory**

Finished Goods are valued at lower of the cost or net realizable value. Cost of inventories is ascertained on 'FIFO' basis. Materials and other supplies held for use in the production of finished goods are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.

Cost in respect of raw materials and stores and spares includes expenses incidental to procurement of the same. Cost in respect of finished goods represents prime cost, and includes appropriate portion of overheads.



- (f) **Revenue Recognition**
Revenue is measured at fair value of the consideration received or receivable. Revenue is recognised when the Company satisfies the performance obligation by transferring the promised goods or service to a customer.
- (i) **Sale of Goods**
Revenue from Sale of goods is recognised at the point of time when control of the goods is transferred to customers depending on terms of sale, which generally coincides with delivery. Delivery occurs when the goods have been shipped to specific location.
- (ii) **Interest Income**
Interest income is recognised using the effective interest rate.
- (iii) **Dividend Income**
Dividend income is recognised when the right to receive payment is established.
- (iv) **Export Benefits**
Export incentives are recognised as income as per terms of the scheme in respect of exports made. Export benefits in the nature of entitlement for duty free imports are not separately accounted for.
- (v) **Income from investment**
Profit / (loss) earned from sale of securities is recognised on the trade date.
- (vi) All other income is accounted for on accrual basis when right to receive is established unless otherwise specified.

(g) **Employee Benefits**

(i) Short-Term Employee Benefits

Short-term Employee Benefits are recognised at the undiscounted amount as expense for the year in which the related service is rendered.

(ii) Post-Employment benefit includes:

Defined Benefit Plans

For defined benefit schemes in the form of gratuity fund, the cost of providing benefits is actuarially determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date.

The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as reduced by the fair value of scheme assets.

The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds of equivalent term and currency to the liability.

The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability or asset. The net interest income / (expense) on the net defined benefit liability is recognised in the Statement of Profit and Loss.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling (if any), are recognised immediately in the Balance Sheet with a corresponding charge or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement Profit and Loss as past service cost.

Defined contribution plans

The Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or refund.

(h) **Financial Instruments**

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

Financial assets

Recognition and Initial Measurement:

All financial assets are initially recognized when the company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value and in the case of financial assets not recorded at fair value through profit or loss, at the transaction costs that are attributable to the acquisition of the financial asset.



Classification and Subsequent Measurement:

For purposes of subsequent measurement, financial assets are classified in three categories:

- Measured at Amortized Cost;
- Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
- Measured at 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.

Measured at Amortized Cost: A debt instrument is measured at the amortized cost if both the following conditions are met:

- the asset is held within a business model whose objective is achieved by collecting 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 (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Measured at FVTOCI: A debt instrument is measured at the FVTOCI if both the following conditions are met:

- The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
- the asset's contractual cash flows represent solely payments of principal and interest.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the statement of profit and loss.

Measured at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset substantially with all the risks and rewards of ownership of the asset to another entity.

Impairment of Financial Assets

A financial asset is assessed for impairment at each reporting date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

The company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

For trade receivables, the Group applies 'simplified approach' which requires expected credit losses to be recognised from initial recognition of the receivables. The Group uses historical default rates to determine impairment loss on the portfolio of trade receivables at every reporting date.

Write-off policy

The Company writes off financial assets, in whole or part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery.

Financial Liabilities

Recognition and Initial Measurement:

Financial liabilities are classified, at initial recognition, at fair value through profit or loss - loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent Measurement:

Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is 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 recognized in statement of profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on derecognition is also recognized in statement of profit or loss.



Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

Derivatives Financial Instruments

The Company uses forwards & options derivative financial instruments commodity contracts to mitigate the risk of changes in commodity prices. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value.

Derivatives are carried as Financial Assets when the fair value is positive and as Financial Liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedge which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or is treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a Non-Financial Assets or Non-Financial liability.

Hedges that meet the criteria for hedge accounting are accounted for as follows:

Fair value hedge:

Changes in the fair value of the derivative hedging instrument designated as a fair value hedge are recognized in the statement of income. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively.

Cash flow hedge

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and presented within equity in the cash flow hedging reserve to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in the statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, such cumulative balance is immediately recognized in the statement of Profit and Loss.

Others

Changes in fair value of foreign currency derivative instruments not designated as hedges are recognized in the profit and loss account.

(i) **Insurance Claims**

Insurance claims are accounted as and when admitted/settled.

(j) **Borrowings Cost**

Borrowing costs comprises interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognised in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying fixed assets which are capitalized. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

In respect of foreign currency borrowings, where the interest rate of the borrowing is less than the commercial interest rate prevailing in the local currency borrowing, the resultant exchange loss on account of Foreign Exchange is included in the borrowing cost to the extent it does not exceed the difference between the cost of borrowing in functional currency when compared to the cost of borrowing in a foreign currency.

(k) **Foreign Currency Transaction**

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expense in the statement of Profit and Loss account. Foreign exchange gain/loss to the extent considered as an adjustment to Interest Cost are considered as part of borrowing cost.



(l) **Government Grants**

Revenue grants including subsidy/rebates are credited to Statement of Profit and Loss Account under "Other Income" or deducted from the related expenses. Grants relating to fixed assets are credited to Deferred Income Account, as and when the ultimate reliability of such grants is established. Grant relating to non-depreciable assets is credited to Statement of Profit and Loss Account over the periods that bear the cost of meeting the obligations related to such grants.

(m) **Earning per Share**

Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders adjusted for the effects of potential equity shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

(n) **Impairment of non-financial assets**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher on an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash flows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(o) **Provision, Contingent Liabilities and Contingent Assets, legal or constructive**

Provisions involving substantial degree of estimation in measurement are recognized at discounted amount (other than current) when there is a legal or constructive obligation as a result of past events, it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

A disclosure for contingent liabilities is made 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 or 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. When there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made.

Contingent Assets are not recognised but are disclosed when an inflow of economic benefits is probable.

(p) **Dividend**

Final dividends on shares are recorded as a liability, on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

(q) **Leases**

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a defined period of time in exchange for consideration. The Group's leasing agreements (as lessee) in respect of lease for office accommodation, godown and guest house are on yearly renewal basis.

Research and Development

(r) **Expenses**

Research and development expenses are charged to the Statement of Profit and Loss as expenses in the year in which they are incurred.

(s) **Critical estimates and judgements**

The Company makes estimates and assumptions that affect the amounts recognised in the Ind AS financial statements, and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have most significant effect on the amount recognised in the Ind AS financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include the following;

(i) **Useful lives of property, plant and equipment and intangible assets.**

Depreciation and amortisation is based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortization charges.



(ii) **Impairment loss on trade receivables**

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment loss as a result of the inability of the debtors to make required payments. The Company bases the estimates on the ageing of the trade receivables balance and credit-worthiness of the trade receivables. If the financial conditions of the trade receivable deteriorate, actual write-offs would be higher than estimated.

(iii) **Current Tax**

Current tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

(iv) **Deferred Tax**

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits. Recognition therefore involves judgement regarding the future financial performance of the Company.

(v) **Provisions and Contingencies**

Provisions and contingencies are based on Management's best estimate of the liabilities based on the facts known at the balance sheet date.

(vi) **Employee Benefits**

The present value of the defined benefit obligations and long-term employee benefits depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact the carrying amount of defined benefit obligations. The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the obligations. In determining the appropriate discount rate, the Company considers the interest rates of Government securities that have terms to maturity approximating the terms of the related defined benefit obligation. Other key assumptions for obligations are based in part on current market conditions.

(r) **Recent Indian Accounting Standards (Ind AS)/ Pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as applicable from 1st April, 2023, as below:

Ind AS 12- Income Taxes- Deferred Tax related to Assets and Liabilities arising from a single transaction- Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying Ind AS 116 Leases at the commencement date of a lease. The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognized for all deductible and taxable temporary differences associated with leases and decommissioning obligations. The company does not expect the amendment to have any significant impact in its Financial Statements.

Ind AS 1- Presentation of Financial Statements- Disclosure of Accounting Policies- The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The supporting paragraph in Ind AS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The company does not expect the amendment to have any significant impact in its Financial Statements.

Ind AS 8- Accounting Policies, Changes in Financial Accounting Estimates and Errors- Definition of Accounting Estimates- The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The company does not expect the amendment to have any significant impact in its Financial Statements.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023
 (All amount in INR Millions unless otherwise stated)

3. Property, Plant and Equipment:

Particulars	Freehold/ leasehold land		Factory Shed & Building	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Computer	Total
Gross Block									
As at April 1, 2022	29.83	-	72.37	95.88	0.95	9.22	12.81	0.54	221.61
Additions	-	-	52.69	87.75	0.55	1.25	14.64	0.12	157.00
Disposal	-	-	-	-	-	-	-	-	-
As at March 31, 2023	29.83	-	125.06	183.63	1.50	10.47	27.45	0.66	378.61
Accumulated Depreciation									
As at April 1, 2022	-	-	16.54	24.54	0.54	2.59	6.78	0.24	51.23
Charge for the period	-	-	7.90	13.69	0.12	2.29	3.38	0.19	27.58
Adjustments	-	-	-	-	-	-	-	-	-
As at March 31, 2023	-	-	24.44	38.23	0.67	4.87	10.17	0.43	78.80
Net carrying amount									
As at March 31, 2023	29.83	-	100.63	145.40	0.83	5.60	17.28	0.23	299.81

Particulars	Freehold/ leasehold land		Factory Shed & Building	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Computer	Total
Gross Block									
As at April 1, 2021	19.61	10.22	71.59	94.84	0.95	1.74	12.22	0.38	201.33
Additions	-	-	0.78	1.04	-	7.49	0.59	0.16	20.29
Disposal	-	-	-	-	-	-	-	-	-
As at March 31, 2022	19.61	10.22	72.37	95.88	0.95	9.22	12.81	0.54	221.61
Accumulated Depreciation									
As at April 1, 2021	-	-	10.82	14.87	0.40	0.49	4.65	0.17	31.40
Charge for the period	-	-	5.72	9.67	0.14	2.10	2.13	0.06	19.83
Adjustments	-	-	-	-	-	-	-	-	-
As at March 31, 2022	-	-	16.54	24.54	0.54	2.59	6.78	0.24	51.23
Net carrying amount									
As at March 31, 2022	19.61	10.22	55.83	71.34	0.41	6.64	6.03	0.31	170.39



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023
(All amount in INR Millions unless otherwise stated)

4. Capital-Work-in Progress (CWIP):

CWIP	Amount in CWIP as at 31st March, 2023				Total
	Less than 1 year	1-2 year	2-3 year	More than 3 years	
Project in progress	4.69	-	-	-	4.69
Project temporarily suspended	-	-	-	-	-
CWIP					
	Amount in CWIP as at 31st March, 2022				
Less than 1 year	73.82	-	-	-	73.82
Project in progress	-	-	-	-	-
Project temporarily suspended	-	-	-	-	-

5. Other Intangible Assets

Particulars	Gross Block As at April 1, 2022	Additions	Gross Block as at March 31, 2023	Accumulated Depreciation As at April 1, 2022	Charge for the period	Cumulative Depreciation as at March 31, 2023	Net carrying amount as at March 31, 2023	Net carrying amount As at March 31, 2022
Computer Softwares	0.01	-	0.01	0.01	-	0.01	-	-
Particulars								
	Gross Block As at April 1, 2021	Additions	Gross Block as at March 31, 2022	Accumulated Depreciation As at April 1, 2021	Charge for the period	Cumulative Depreciation as at March 31, 2022	Net carrying amount As at March 31, 2022	Net carrying amount As at March 31, 2021
Computer Softwares	0.01	-	0.01	0.01	0.00	0.01	-	0.00



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(All amount in INR Millions unless otherwise stated)

6. Other Financial Assets	As at March 31, 2023	As at March 31, 2022
Balance with Banks in Deposit Accounts (with maturity more than 12 months)* (Unsecured, Considered Good)	0.01	-
Security Deposit	3.54	2.96
	3.55	2.96

*under Lien with Bank against Bank Overdraft

7 Other Non-Current Assets	As at March 31, 2023	As at March 31, 2022
(a) Advances for capital goods	4.36	7.59
(b) Prepaid Expenses	0.29	-
	4.65	7.59

8 Inventories	As at March 31, 2023	As at March 31, 2022
(a) Raw Materials	517.55	283.85
(b) Finished Goods*	228.91	151.03
(c) Stores and Consumables	10.34	13.66
	756.80	448.54
	7.70	7.22

* includes stock lying with third party

9 Trade Receivables	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good	653.30	546.89
	653.30	546.89

Trade Receivables ageing schedule:

Particulars	Outstanding for following periods from due date of payment/ date of transaction					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
For the year ended 31st March 2023						
Undisputed - Considered Good	650.09	0.86	0.94	1.42	-	653.30
For the year ended 31st March 2022						
Undisputed - Considered Good	544.02	0.15	2.72	-	-	546.89

10 Cash and Cash Equivalents	As at March 31, 2023	As at March 31, 2022
(a) Balances with Banks:		
- In Current Accounts	0.14	18.58
- In OD Account	0.27	0.32
(b) Cash on hand	0.10	0.11
	0.51	19.01

11 Bank Balances other than Cash and cash equivalents	As at March 31, 2023	As at March 31, 2022
Balance with Banks in Deposit Accounts*	9.83	8.59
	9.83	8.59
	7.03	8.47

*under Lien with Bank against Stand by Letter of Credit.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(All amount in INR Millions unless otherwise stated)

12 Other Financial Assets

	As at March 31, 2023	As at March 31, 2022
(a) Margin money/ Balances with broker	2.38	7.12
(b) Security Deposit & Earnest Money deposit	3.25	4.06
(c) Advances to employees	0.48	0.38
(d) Interest Receivable	0.04	0.50
(e) Derivative Assets at fair value through profit and loss (net)	5.33	-
	11.48	12.06

13 Other current assets

	As at March 31, 2023	As at March 31, 2022
(a) Balance with statutory/ government authorities	19.04	2.58
(b) Advances for goods and services	16.63	121.58
(c) Prepaid Expenses	1.87	3.03
	37.54	127.20

14 Equity Share Capital

	As at March 31, 2023	As at March 31, 2022
(a) Authorised: 5,00,000 Equity Shares of ₹ 10/- each (5,00,000 Equity Shares as on 31/03/2022)	5.00	5.00
(b) Issued, Subscribed and Fully Paid Up: 2,65,600 Equity Shares of ₹ 10/- each (2,65,600 Equity Shares as on 31/03/2022)	2.66	2.66
	2.66	2.66

(c) **Share Capital Reconciliation:**

Equity Share Capital:	As at 31st March, 2023		As at 31st March 2022	
	Nos.	Amount	Nos.	Amount
Opening balance	2,65,600	2.66	3,32,000	3.32
Less: Share Buy back during the year	-	-	66,400	0.66
Closing Balance	2,65,600	2.66	2,65,600	2.66

(d) **Particulars of Equity Shareholder's holding more than 5% Shares at Balance Sheet date:**

Name of Shareholder's	As at 31st March, 2023		As at 31st March 2022	
	Nos	% holding	Nos	% holding
J.G. Chemicals Limited (Formerly J.G. Chemicals Pvt Ltd)	2,50,000	94.13%	2,50,000	94.13%

(e) **Rights, Preferences and Restrictions attached to shares**

The company has only one class of equity shares having a par value of Rs.10 per share. The dividend recommended, if any by the Board of Directors is subject to the approval of Shareholders in the Annual General Meeting. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

- (f) No shares have been reserved for issue under options and contracts / commitments for the sale of shares / disinvestment as at Balance Sheet.
- (g) The Company has not allotted any shares as fully paid up pursuant to contract(s) without payment being received in cash or by way of fully paid bonus shares during the period of five years immediately preceding the date at which the Balance Sheet is
- (h) No convertible securities have been issued by the Company during the year.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(All amount in INR Millions unless otherwise stated)

(i) **Particulars of Promoter Shareholding for Equity Share Capital as at Balance sheet date:**

Promoter Name	As at 31st March 2023			As at 31st March 2022		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Anirudh Jhunjunwala	5,400	2.03%	0.00%	5,400	2.03%	-4.59%
J.G. Chemicals Limited (Formerly J.G. Chemicals Pvt Ltd)	2,50,000	94.13%	0.00%	2,50,000	94.13%	18.83%

15 Other Equity

	As at March 31, 2023	As at March 31, 2022
(a) Securities Premium	8.91	8.91
(b) Capital Redemption Reserve	0.66	0.66
(c) Retained Earnings	942.69	627.93
(d) Remeasurement of Defined Benefit Plans	1.17	0.69
	953.43	638.19

Securities Premium

Securities Premium represents the amount received in excess of par value of securities. Section 52 of Companies Act, 2013 specify restriction for utilisation of security premium.

Capital Redemption Reserve

This reserve was created on buyback of Equity Shares as required by the statute.

Retained Earnings

Retained Earnings generally represent the undistributed profits /amount of accumulated earnings of the Company.

Other Comprehensive Income

Items that will not be reclassified to profit and loss.

The actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions have been recognised in OCI.

16 Non - Current Borrowings

	As at March 31, 2023	As at March 31, 2022
Secured		
(a) From Banks		
Term Loans	90.94	93.61
(b) Vehicle loans	4.44	6.13
Less: Current maturities of long-term borrowings (Refer Note C)	(28.22)	(44.19)
	67.15	55.55

A Repayment terms & Security details - Term Loans

Particulars	Amount Outstanding (including Current maturity)	Number of installment as at Balance Sheet Date	Amount of installment	Rate of interest	Security details
From Bank Of Baroda (Term Loan 1A)					1st Exclusive charge by way of equitable mortgage in respect of Land & Building at Plot No. 10, Attivaram Industrial Park, Mandal: Ojili : Attivaram , SPSR Nellore Dist. (since repaid & charge satisfied)
31st March, 2023	NIL	NIL	NIL	NIL	
31st, March, 2022	3	1 Quarterly	2.25	6.85%	
From Bank Of Baroda (Term Loan 1B)					
31st March, 2023	NIL	NIL	NIL	NIL	
31st, March, 2022	0.75	1 Quarterly	0.75	6.85%	



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(All amount in INR Millions unless otherwise stated)

Particulars	Amount	Number of installments	Amount of installment	Rate of interest	Security details
From Bank Of Baroda (Term Loan 2)					
31st March, 2023	26.94	10 Quarterly	2.75	9.35%	1st Exclusive charge by way of hypothecation of movable Plant & Machinery & other movable fixed assets
31st, March, 2022	37.94	14 Quarterly	2.75	6.85%	
From Bank Of Baroda (Term Loan 3)					
31st March, 2023	NIL	NIL	NIL	NIL	2nd charge with the existing credit facility in terms of Cash flows (including repayments) and security charges to existing facility.
31st, March, 2022	12.67	24 Monthly	0.42	7.50%	
From Bank Of Baroda (Term Loan 4)					
31st March, 2023	64	16 Quarterly	4.00	9.05%	Equitable Mortgage of Land at Plot No. 15,16, 17 & 18, Attivaram, Nellore with first exclusive charge on the entire project assets of ₹ 131.2 Millions created/to be created
31st, March, 2022	40	20 Quarterly	4.00	6.55%	

- Personal & Corporate Guarantee

Above loans has been secured by personal guarantee of two Directors and corporate guarantee of J.G. Chemicals Limited (Formerly J.G. Chemicals Pvt Ltd) Holding company.

B Repayment terms & Security details - Vehicle Loans

Particulars	Amount Outstanding (including Current maturity)	Number of installment as at Balance Sheet Date	Amount of installment	Rate of interest	Security details
From HDFC Bank (Term Loan 1)					
31st March, 2023	NIL	Nil	NIL	NIL	Vehicle loan are secured by hypothecation of respective specific vehicles being financed by them. (since repaid)
31st, March, 2022	0.55	17 Monthly	0.03	8.05%	
From Daimler Financial Services India Pvt Ltd					
31st March, 2023	4.44	40 Monthly	0.13	7.10%	Vehicle loan are secured by hypothecation of respective specific vehicles being financed by them.
31st, March, 2022	5.58	52 Monthly	0.13	7.10%	

C Current maturities of long-term borrowings consists of:

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
(a) From Banks		
Term Loans	27.00	42.67
Vehicle loans	1.22	1.52
(b) Vehicle loans	<u>28.22</u>	<u>44.19</u>

17 Non - Current Provisions

	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits		
- Gratuity liability	2.85	2.38
	<u>2.85</u>	<u>2.38</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(All amount in INR Millions unless otherwise stated)

18 Deferred tax liabilities (net)

	As at March 31, 2023	As at March 31, 2022
Deferred Tax Liabilities		
Timing Difference on account of Property, Plant & Equipment	3.71	1.56
Derivative instruments designated at fair value through P&L	1.34	-
Deferred Tax Assets		
Timing Difference on account of Provision of Employee Benefits	0.72	0.60
Derivative instruments designated at fair value through P&L	-	0.53
	4.33	0.43

Movement In Deferred tax assets and liabilities during the year ended 31st March 2023 & 31st March 2022.

Particulars	Opening Balance	Recognised in statement of P&L	Recognised in OCI	Closing Balance
As at 31st March, 2023				
Deferred Tax Liabilities				
Timing Difference on account of Property, Plant & Equipment	1.56	2.15	-	3.71
Derivative instruments designated at fair value through P&L	(0.53)	1.87	-	1.34
	1.03	4.02	-	5.05
Deferred Tax Assets				
Timing Difference on account of Provision of Employee Benefits	0.60	0.27	(0.16)	0.72
	0.60	0.27	(0.16)	0.72
	0.43	3.75	(0.16)	4.33
As at 31st March, 2022				
Deferred Tax Liabilities				
Timing Difference on account of Property, Plant & Equipment	1.83	(0.28)	-	1.56
	1.83	(0.28)	-	1.56
Deferred Tax Assets				
Timing Difference on account of Provision of Employee Benefits	0.45	0.31	(0.16)	0.60
Derivative instruments designated at fair value through P&L	(0.05)	0.58	-	0.53
	0.40	0.89	(0.16)	1.13
	1.43	(1.17)	(0.16)	0.43

19 Current Borrowings

	As at March 31, 2023	As at March 31, 2022
(a) Secured		
From Banks		
- Cash credit	475.71	587.98
(b) Current Maturities of Long Term Debt	28.22	44.19
(c) Unsecured		
- Loan From Holding Company	166.50	-
- Loans From Bodies Corporates	-	10.00
	670.43	642.18

Security

- (a) The company has Cash credit facility with Bank of Baroda with a sub-limit of Letter of Credit (ILC/FLC/SBLC), carrying interest at the rate of 9.35% at present. The balance outstanding as on 31st March, 2023 with respect to Cash credit is ₹ 223.44 millions (Previous Year - ₹ 70.24 millions) which is secured by:

Security details

- First Pari Passu charge with CITI Bank by way of hypothecation of stocks, Book Debts & other current assets of the company both present & future.
- 10 % cash Margin in the Form of FDR on utilization basis



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(All amount in INR Millions unless otherwise stated)

- (b) The company has Cash credit facility with Citi Bank with a sub-limit of Letter of Credit (ILC/FLC), carrying interest at the rate of 8.65% at present. The balance outstanding as on 31st March, 2023 with respect to Cash credit is ₹. 252.27 millions (Previous Year - ₹ 67.74) and Working capital Demand Loan (WCDL) is Rs Nil millions (Previous Year - ₹ 450.00) which is secured by:

Security details

- First paripassu charge on the Stock and Book debts of the company both present and Future
- Second paripassu charge with Bank of Baroda on Movable Fixed Assets of the Borrower
- Second paripassu charge with Bank of Baroda on Land and Building situated at Plot No. 10, Attivaram, Industrial Park, Mandal, Ojili, Nellore district owned by the company.
- Second paripassu charge with Bank of Baroda on Land and Building situated at Plot No. 15 & 16, 17 & 18, Attivaram, Industrial Park, Mandal, Ojili, Nellore district owned by the company.

20 Trade Payables

- dues of micro enterprises and small enterprises
- dues to creditors other than micro enterprises and small enterprises

	As at March 31, 2023	As at March 31, 2022
	4.11	4.93
	47.15	16.69
	51.27	21.62

Trade Payables ageing schedule:

Particulars	Outstanding for following periods from due date of payment/ date of transaction				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
For the year ended 31st March 2023					
(i) MSME - undisputed	4.11	-	-	-	4.11
(ii) Others - undisputed	46.83	0.29	0.01	0.02	47.15
For the year ended 31st March 2022					
(i) MSME - undisputed	4.93	-	-	-	4.93
(ii) Others - undisputed	16.65	0.02	-	0.02	16.69

Disclosure of the amount due to the Micro, Small and Medium Enterprises (on the basis of the information and records available with the management):

Particulars	2022-23	2021-22
(a) The principal amount and the interest due thereon remaining unpaid to any Micro/Small supplier		
- Principal amount	4.11	4.93
- Interest amount	-	-
(b) The interest paid by the buyer as above, along with the amount of payments made beyond the appointed date during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payments which has been made beyond the appointed day (during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act 2006.	-	-
(d) The amount of interest accrued and remaining un paid at the end of each accounting year.	-	-
(e) The 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 / Micro Enterprises.	-	-

21 Other Current Financial Liabilities

- (a) Interest accrued but not due on borrowings
- (b) Sundry Creditors for capital goods
- (c) Derivative Liability at fair value through profit and loss (net)
- (d) Others Payables (year end liability for expenses)

	As at March 31, 2023	As at March 31, 2022
	2.21	0.20
	4.98	10.29
	-	2.12
	8.88	9.72
	16.08	22.33



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(All amount in INR Millions unless otherwise stated)

22 Other Current Liabilities	As at March 31, 2023	As at March 31, 2022
(a) Advance from customers	0.03	-
(b) Statutory Dues	2.52	17.57
	2.55	17.57
23 Current Provisions	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits: Other Employee benefit obligation	7.18	5.74
	7.18	5.74
24 Current Tax Liabilities (net)	As at March 31, 2023	As at March 31, 2022
Current Tax Liabilities (net of Payments)	4.24	8.41
	4.24	8.41
25 Revenue from Operations	Year Ended March 31, 2023	Year Ended March 31, 2022
Sale of Finished Goods	4,624.06	3,643.22
Other Operating Revenue: Export Benefit	-	0.35
	4,624.06	3,643.57
26 Other Income	Year Ended March 31, 2023	Year Ended March 31, 2022
(a) Interest Income from loans measured at amortised cost	0.33	0.87
(b) Net gain/(loss) on foreign exchange fluctuation	22.05	22.80
(c) Net gain/(loss) on Derivative Instruments at FVTPL*	7.33	(0.40)
(d) Sundry Balances Written Back	0.01	0.19
(e) Miscellaneous Income	1.41	0.78
	31.13	24.24
* includes gain/ (loss) on Fair Value of Derivatives as at year end		
27 Cost of Materials Consumed	Year Ended March 31, 2023	Year Ended March 31, 2022
Raw material and other materials consumed		
Inventory at the beginning of the year	283.85	161.96
Add: Purchases	4,060.80	3,054.78
Less: Inventory at the end of the year	517.55	283.85
	3,827.11	2,932.89
28 Changes in inventories of finished goods, stock-in-trade and work-in-progress	Year Ended March 31, 2023	Year Ended March 31, 2022
(i) Inventories at the end of the year		
Finished Goods	228.91	151.03
	228.91	151.03
(ii) Inventories at the beginning of the year		
Finished Goods	151.03	125.62
	151.03	125.62
	(77.88)	(25.41)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(All amount in INR Millions unless otherwise stated)

29 Employee Benefits Expense

Particulars

- (a) Salaries, Wages and Allowances
(b) Contribution to Provident and Other Funds
(c) Staff welfare expenses

	Year Ended March 31, 2023	Year Ended March 31, 2022
	55.95	65.45
	3.26	3.21
	0.76	0.55
	59.96	69.21

POST RETIREMENT EMPLOYEE BENEFITS

The disclosures required under IND AS 19 on "Employee Benefits", are given below:

Defined Contribution Plans

Contributions to Defined Contribution Plans, recognized are charged off for the year (included in Statement of Profit & Loss) as under:

Particulars

- Employer's Contribution to Provident & Pension Fund
Employer's Contribution to ESI

	Year Ended March 31, 2023	Year Ended March 31, 2022
	1.54	2.06
	0.60	0.56

Post Retirement Benefit Plans

The Company provides for gratuity liability in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service of 5 years are eligible for gratuity. The amount of gratuity payable on termination/retirement is the employees last drawn basic salary per month computed proportionately for 15 days for each number of completed year of service.

- (a) **Change in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:**

Liability at the beginning of the year

- Interest Cost
Current Service Cost
Benefits paid
Remeasurements - Due to Financial Assumptions
Remeasurements - Due to Experience Adjustments

Liability at the end of the year

	Gratuity (Non funded)	
	As at March 31, 2023	As at March 31, 2022
	2.38	1.78
	0.17	0.13
	0.94	1.08
	-	-
	0.02	(0.21)
	(0.67)	(0.41)
	2.85	2.38

- (b) **Changes in the Fair Value of Plan Asset representing reconciliation of opening and closing balances thereof are as follows:**

Opening Fair value of Plan Assets at the beginning of the year

- Interest Income
Contributions by the Company
Benefits paid
Remeasurements - Return on Assets (Excluding Interest Income)

Fair value of Plan Assets at the end of the year

	As at March 31, 2023	As at March 31, 2022
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-

- (c) **Amount Recognized in Balance Sheet**

- Liability at the end of the year
Fair value of Plan Assets at the end of the year
Amount Recognized in the Balance Sheet

	As at March 31, 2023	As at March 31, 2022
	2.85	2.38
	-	-
	2.85	2.38

- (d) **Expenses Recognized in the Income Statement**

- Current Service Cost
Interest Cost
Expected return on plan assets
Expenses Recognized in Profit & Loss Account

	Year Ended March 31, 2023	Year Ended March 31, 2022
	0.94	1.08
	0.17	0.13
	-	-
	1.11	1.21



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(All amount in INR Millions unless otherwise stated)

(e) **Remeasurements Recognized in Other Comprehensive Income**

	Year Ended March 31, 2023	Year Ended March 31, 2022
Remeasurements - Due to Financial Assumptions	0.02	(0.21)
Remeasurements - Due to Experience Adjustments	(0.67)	(0.41)
Remeasurements- Return on Assets (Excluding Interest Income)	-	-
Remeasurements Recognized in Other Comprehensive Income	(0.64)	(0.62)

(f) **Balance Sheet Reconciliation**

	As at March 31, 2023	As at March 31, 2022
Opening Net Liability	2.38	1.78
Defined Benefit Cost included in Profit and Loss	1.11	1.21
Remeasurements recognised in OCI	(0.64)	(0.62)
Employers Contribution	-	-
Amount Recognized in Balance Sheet	2.85	2.38

(g) **The Principal actuarial assumptions used for estimating defined benefit obligations are set out as below:**

	As at March 31, 2023	As at March 31, 2022
Summary of Financial Assumptions		
Discount Rate	7.28%	7.33%
Salary Escalation	6.00%	6.00%
Expected Return on Plan Assets	N/A	N/A
Summary of Demographic Assumptions		
Mortality Rate [as % of IALM 2012-2014 UNLIMITED]		
Disability Table (as % of above mortality rate)	1%	1%
Withdrawal Rate	1%	1%
Retirement Age	60 years	60 years
Average Future Service	25 years	24 years

Sensitivity Analysis

Discount Rate, Salary Escalation Rate and Withdrawal Rate are significant actuarial assumptions. The change in the Present Value of Defined Benefit Obligation for a change of 50 Basis Points from the assumed assumption is given below:

Particulars	Change in Assumption	Gratuity As at March 31, 2023	Gratuity As at March 31, 2022
Changes in Defined Benefit Obligations			
Salary Escalation	0.5%	3.10	2.56
Salary Escalation	-0.5%	2.62	2.21
Attrition Rate	0.5%	2.84	2.37
Attrition Rate	-0.5%	2.85	2.38
Discount Rates	0.5%	2.62	2.17
Discount Rates	-0.5%	3.10	2.61

The Company's estimate maturity profile of the expected cash flow in respect of Defined Benefit Obligations are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Year 1	0.19	0.12
Year 2	0.02	0.02
Year 3	0.02	0.02
Year 4	0.04	0.02
Year 5	0.10	0.03
Remaining Subsequent Years	12.65	11.44



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(All amount in INR Millions unless otherwise stated)

30 Finance Costs

	Year Ended March 31, 2023	Year Ended March 31, 2022
(a) Interest Expense	52.47	55.19
(b) Other Borrowing Cost	2.98	1.63
	55.45	56.82

31 Other Expenses

	Year Ended March 31, 2023	Year Ended March 31, 2022
(a) Consumption of Stores & Spares	15.26	11.48
(b) Packing Materials	17.82	16.71
(c) Power & Fuel	150.44	110.34
(d) Material Handling, Machinery Hire & Other Charges	1.94	0.94
(e) Repairs and Maintenance		
- for Buildings & Machinery	21.24	12.29
- for Others	0.81	8.26
(f) Auditors Remuneration		
- Statutory Audit	0.40	0.12
- Tax Audit	0.10	0.03
- Other Matters	0.18	0.05
(g) Carriage Outward	35.26	28.22
(h) Discount & Commission	20.59	13.79
(i) Management Services*	20.77	-
(j) Rent	10.81	8.35
(k) Insurance Charges	2.25	2.18
(l) Legal & Professional Fees	10.18	11.95
(m) Miscellaneous Expenses	1.91	1.54
(n) Postage, Telephone & Stationery	0.87	0.62
(o) Bank Charges	1.13	2.81
(p) Processing Charges	11.29	11.47
(q) Rates & Taxes	1.34	1.19
(r) Sales Promotion Expenses	0.56	3.86
(s) Security Expenses	2.99	2.82
(t) Charity & Donation	0.03	-
(u) CSR Expenses	4.57	3.18
(v) Travelling & Conveyance	6.00	4.72
(w) Vehicle Expenses	1.25	0.63
	339.96	257.54

*Shared Services Allocation from Holding Company.

32 Tax Expenses

Amount recognised in Profit & Loss

Current Tax

	Year Ended March 31, 2023	Year Ended March 31, 2022
Current tax for the year	104.50	94.13
Income tax adjustment for the earlier years	(0.01)	(0.10)
Total Current tax Expense	104.50	94.03

Deferred Tax

Deferred Tax for the year	3.75	(1.17)
Total Deferred tax Expense	3.75	(1.17)
	108.25	92.86

Amount recognised in Other Comprehensive Income

Deferred Tax

Deferred Tax for the Year	0.16	0.16
Total Deferred Tax Expense	0.16	0.16



Reconciliation of estimated Income tax expense at Indian statutory Income tax rate to income tax expense reported in statement of profit and loss

	Year Ended March 31, 2023	Year Ended March 31, 2022
Profit before Taxes	423.01	356.93
Indian Statutory Income tax Rate	25.17%	25.17%
Estimated Income tax expenses	106.46	89.83
Tax effect of adjustments to reconcile expected Income tax expense to reported Income tax expense :		
Expenses that are not deductible in determining taxable profit	1.16	0.95
Additional Deduction under Income Tax Act,1961	-	(0.08)
Income tax adjustment for the earlier years	(0.01)	(0.10)
Others	0.64	2.25
Income Tax expense in the Statement of Profit and Loss	108.25	92.86

33 RELATED PARTY TRANSACTIONS

Related party disclosure as identified by the management in accordance with the IND AS 24 on 'Related Party Disclosures' where control exists and with whom transactions have taken place during reported periods.:

Names of the related parties and description of relationships:

- A. Holding Company** J.G. Chemicals Limited (Formerly J.G. Chemicals Pvt Ltd)
- B. Key Management personnel (KMP) and close member of their family**
Anirudh Jhunjhunwala -Managing Director
Anuj Jhunjhunwala - Director
Suresh Jhunjhunwala - Father of Anirudh and Anuj Jhunjhunwala
Aakriti Jhunjhunwala - Wife of Anuj Jhunjhunwala
Shilpa Jhunjhunwala- Wife of Anirudh Jhunjhunwala
- C. Entities where KMP or their close member have significant influence or control**
Alkan Fiscal Services Private Limited
Eeshwar Fiscal Services Private Limited
Vision Projects & Finvest Private Limited
BDJ Impex Private Limited
BDJ Chemicals Private Limited
Swarnim Complex Private Limited
Crystal Tower Private Limited
Jayanti Commercial Limited
BDJ Speciality Chemicals Private Limited

D. Related party transaction:

Nature of Transaction	Holding Company		Key Management personnel (KMP) and close member of their family	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Interest Paid on Loan				
J.G. Chemicals Limited (Formerly known as J.G. Chemicals Pvt Ltd)	14.01	15.08	-	-
Purchase of Goods				
J.G. Chemicals Limited (Formerly known as J.G. Chemicals Pvt Ltd)	26.56	5.75	-	-
Share Services Allocation				
J.G. Chemicals Limited (Formerly known as J.G. Chemicals Pvt Ltd)	20.77	-	-	-
Repairs and Maintenance				
J.G. Chemicals Limited (Formerly known as J.G. Chemicals Pvt Ltd)	0.09	-	-	-



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(All amount in INR Millions unless otherwise stated)

Consumption of Stores & Spares				
J.G. Chemicals Limited (Formerly known as J.G. Chemicals Pvt Ltd)	0.21	-	-	-
Sale of Goods				
J.G. Chemicals Limited (Formerly known as J.G. Chemicals Pvt Ltd)	104.73	91.03	-	-
Salary				
Anuj Jhunjhunwala	-	-	1.58	13.94
Anirudh Jhunjhunwala	-	-	0.30	2.84
Aakriti Jhunjhunwala	-	-	2.24	2.49
Buy Back of Shares				
Anuj Jhunjhunwala	-	-	-	4.18
Anirudh Jhunjhunwala	-	-	-	10.46
Suresh Jhunjhunwala	-	-	-	5.23
Aakriti Jhunjhunwala	-	-	-	11.50
Shilpa Jhunjhunwala	-	-	-	10.46
Loan Taken				
J.G. Chemicals Limited (Formerly known as J.G. Chemicals Pvt Ltd)	804.50	346.50	-	-
Loan Repayment				
J.G. Chemicals Limited (Formerly known as J.G. Chemicals Pvt Ltd)	638.00	416.50	-	-
Closing balance				
Loan Taken				
J.G. Chemicals Limited (Formerly known as J.G. Chemicals Pvt Ltd)	166.50	-	-	-
Salary Payable				
Anuj Jhunjhunwala	-	-	-	0.51
Anirudh Jhunjhunwala	-	-	-	0.20
Aakriti Jhunjhunwala	-	-	-	0.13

Nature of Transaction	Entities where KMP or their close member have significant influence or control		Close Relatives of Key Management Personnel	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
	Interest Paid on Loan			
Eshwar Fiscal Services Private Limited	0.15	0.44	-	-
Alkan Fiscal Services Pvt. Ltd.	0.07	1.83	-	-
BDJ Speciality Chemicals Private Limited	-	0.05	-	-
BDJ Impex Pvt. Ltd.	0.01	0.00	-	-
BDJ Chemicals Pvt. Ltd.	0.15	0.23	-	-
Crystal Tower Private Limited	-	0.13	-	-
Jayanti Commercial Ltd	-	0.06	-	-
Vision Projects & Finvest Pvt. Ltd.	-	0.00	-	-
Legal & Professional Services				
Vision Projects & Finvest Pvt. Ltd.	-	1.80	-	-
Advertisement & Publicity				
Good News Media Private Limited	-	1.75	-	-



<u>Rent Amenities & Fit Out Charges</u>				
Crystal Tower Private Limited	8.31	6.45	-	-
Swarnim Complex Private Limited	-	0.84	-	-
BDJ Chemicals Pvt. Ltd.	1.20	1.20	-	-
<u>Loan Taken</u>				
Eshwar Fiscal Services Private Limited	10.00	22.30	-	-
Jayanti Commercial Ltd	-	8.90	-	-
Alkan Fiscal Services Pvt. Ltd.	12.50	60.80	-	-
BDJ Speciality Chemicals Private Limited	-	3.05	-	-
BDJ Impex Private Limited	1.00	0.30	-	-
BDJ Chemicals Pvt. Ltd.	8.25	10.15	-	-
Crystal Tower Private Limited	-	7.20	-	-
Vision Projects & Finvest Private Limited	-	1.15	-	-
<u>Loan Repayment</u>				
Eshwar Fiscal Services Private Limited	10.00	22.30	-	-
Jayanti Commercial Ltd	-	8.90	-	-
Alkan Fiscal Services Pvt. Ltd.	12.50	60.80	-	-
BDJ Speciality Chemicals Private Limited	-	3.05	-	-
BDJ Impex Private Limited	1.00	0.30	-	-
BDJ Chemicals Pvt. Ltd.	8.25	10.15	-	-
Crystal Tower Private Limited	-	7.20	-	-
Vision Projects & Finvest Private Limited	-	1.15	-	-
<u>Security Deposit against Rent</u>				
Crystal Tower Private Limited	-	1.33	-	-
BDJ Chemicals Pvt. Ltd.	-	0.30	-	-
<u>Closing balances</u>				
<u>Security Deposit against Rent</u>				
Crystal Tower Private Limited	2.08	2.08	-	-
BDJ Chemicals Pvt. Ltd.	0.30	0.30	-	-

E Compensation of Key management personnel

The remuneration of directors and other member of key management personnel during the year was as follows:

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
Employee benefits Expense	1.88	16.78
Post-employment benefits	-	-

34 COMMITMENTS AND CONTINGENCIES

i. Capital and other commitments

	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	3.92	14.28
	3.92	14.28

ii. Contingent Liabilities not provided for in respect of:

	As at March 31, 2023	As at March 31, 2022
Entry Tax	0.87	0.87
	0.87	0.87



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(All amount in INR Millions unless otherwise stated)

35 Segment Reporting

Operating segments have been identified on the basis of nature of products, risk and returns associated therewith and other quantitative criteria specified in Ind AS 108 "Operating Segments". The company operates mainly in one business segment viz., Manufacturing and selling of Zinc Oxide and allied chemicals, and all other activities revolve around the main activity. The Company is operating in two geographical segments i.e., in India and Outside. The details required as per the standard are as follows:

Particulars	Within India		Outside India	
	Year ended	Year ended	Year ended	Year ended
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Segment Revenue	4,600.78	3,638.65	23.29	4.57
Segment Assets	1,770.71	1,417.03	11.45	-
Capital Expenditure	87.86	93.55	-	-

36 EARNING PER SHARE:

Reconciliation of Net profit for the year and equity shares used in the computation of basic and diluted earnings per equity share is set out below:

Basic: Basic earnings per share is calculated by dividing the profit/loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year

Diluted: Diluted earnings per share is calculated adjusting the weighted average number of equity shares outstanding during the year for assumed conversion of all dilutive potential equity shares.

	Year Ended March 31, 2023	Year Ended March 31, 2022
Net profit attributable to the Equity holders of the Company as per Statement of Profit and Loss.	314.76	264.07
Net profit for Basic and Diluted earnings per share	314.76	264.07
Weighted average number of equity shares for calculation of basic and diluted earnings per share	2,65,600	2,85,975
Face value of Equity Shares (₹)	10.00	10.00
Basic EPS (₹)	1,185.08	923.41
Diluted EPS (₹)	1,185.08	923.41

37 Confirmations for the balances shown under current and non-current loans & advances, current liabilities, Trade payables, Receivables and other current assets have been sought from the respective parties. Consequential adjustments shall be done on the receipt of the same. In the opinion of the management, the value of current assets, loans and advances on realisation in the ordinary course of business, will not be less than the value at which these are stated in the balance sheet.

38 Leases

The Company's leasing agreements (as lessee) in respect of lease for office accommodation & guest house, which are on periodic renewal basis. Expenditure incurred on account of rent during the year and recognized in the Statement of Profit & Loss amounts to ₹ 10.72 millions (Year ended 31st March, 2022 ₹ 8.35 millions.)

39 Corporate Social Responsibility

As per Section 135 of the Act, a Company meeting the applicability threshold, is required to spend at least 2% of its average net profit for the immediate preceding three financial years on CSR activities. The areas of CSR activity are as specified in Schedule VII of the Companies Act, 2013.

	Year Ended March 31, 2023	Year Ended March 31, 2022
(a) Amount required to be spent by the company during the year	4.74	2.98
(b) Amount of expenditure incurred	4.57*	3.18
(c) Provision of unspent CSR - movement during the year	-	-
Opening Provision	-	-
Movement during the year	-	-
Utilised during the year	-	-
Closing Provision	-	-
(d) Nature of CSR activities	Education, Health care, Disaster Relief, Animal welfare, Rural Development	

*The excess c/f of earlier year is adjusted during the current year shortfall of ₹ 0.17 millions.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(All amount in INR Millions unless otherwise stated)

40 Ratios disclosed as per requirement of Schedule III to the Act

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
(i) Current Ratio: (Current Assets / Current Liabilities)		
Current Assets	1,469.46	1,162.27
Current Liabilities	751.74	717.85
Current Ratio (times)	1.95	1.62
% of changes as compared to the preceding year	20.73%	9.93%
(ii) Debt-Equity Ratio: (Total Debt/ Shareholder's equity)		
Total debt	737.58	697.72
Shareholder's equity	956.09	640.86
Debt-Equity Ratio (times)	0.77	1.09
% of changes as compared to the preceding year	-29.14%	-21.40%
(iii) Debt Service Coverage Ratio: (EBIDTA/ Interest + Current maturities of debt)		
EBIDTA	506.03	433.58
Interest + Current maturities of debt	99.64	80.12
Debt Service Coverage Ratio (times)	5.08	5.41
% of changes as compared to the preceding year	-6.15%	-10.08%
(iv) Return on Equity Ratio: (Profit after tax / Shareholder's equity)		
Profit after tax	314.76	264.07
Average shareholder's equity	798.47	534.02
Return on Equity Ratio (%)	39.42%	49.45%
% of changes as compared to the preceding year	-20.28%	-26.44%
(v) Inventory turnover ratio: (Sales/ Average Inventory)		
Sales	4,624.06	3,643.22
Average Inventory	602.67	371.26
Inventory turnover ratio (times)	7.67	9.81
% of changes as compared to the preceding year	-21.81%	-3.83%
(vi) Trade Receivables turnover ratio: (Sales / Average Trade Receivables)		
Sales	4,624.06	3,643.22
Average trade receivables	600.09	527.94
Trade Receivables turnover ratio (times)	7.71	6.90
% of changes as compared to the preceding year	11.66%	-3.44%
(vii) Trade payables turnover ratio: (Purchase of raw material and stock in trade / Average trade payables)		
Purchase of raw material and stock in trade	4,060.80	3,054.78
Average trade payables	12.01	11.29
Trade payables turnover ratio (times)	338.02	270.50
% of changes as compared to the preceding year	24.96%	42.32%
(viii) Net capital turnover ratio: (Sales / Working capital)		
Sales	4,624.06	3,643.22
Working capital	717.72	444.42
Net capital turnover ratio (times)	6.44	8.20
% of changes as compared to the preceding year	-21.41%	-5.81%



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(All amount in INR Millions unless otherwise stated)

(ix) Net profit ratio:			
(Profit after tax/Sales)			
Profit after tax		314.76	264.07
Sales		4,624.06	3,643.22
Net profit ratio (%)		6.81%	7.25%
% of changes as compared to the preceding year		-6.09%	-12.46%
(x) Return on Capital employed:			
(EBIT / Capital employed)			
Earning before interest and tax (EBIT)		478.45	413.75
Capital Employed (Equity + Debt + Accrued Interest)		1,695.88	1,338.77
Return on Capital employed (%)		28.21%	30.91%
% of changes as compared to the preceding year		-8.71%	-5.40%
(xi) Return on investment:		NA	NA

Notes:

Year Ended March 31, 2023

- (i) Debt equity ratio has fallen significantly due to increase in equity because of surplus for the year.

Year Ended March 31, 2022

- (ii) Decline in ratio in 2021-22 is due to comparatively lower profit.
(iii) During FY 2021-22, the situation improved on cease of covid pandemic resulting in better realisation and resultant cash flow availability .

41 Borrowing from banks and financial institutions

The Company has obtained borrowings from banks on the basis of security of current assets. The particulars of statements of current assets filed by the Company with the Banks for each quarter ended during the year are as under:

Quarter ended	Particulars	Amount as per Books	Amount as reported in the quarterly returns	Amount of difference
For the year ended March 31, 2023				
Quarter ended 31st March, 2023	Inventory	746.45	746.54	-0.09
	Debtors	653.30	653.34	-0.04
Quarter ended 31st December, 2022	Inventory	547.65	547.34	(0.31)
	Debtors	469.25	469.25	-
Quarter ended 30th September, 2022*	Inventory	484.91	542.22	57.31
	Debtors	673.09	673.09	0.00
Quarter ended 30th June, 2022*	Inventory	504.81	560.53	55.72
	Debtors	720.10	720.10	0.00
For the year ended March 31, 2022				
Quarter ended 31st March, 2022*	Inventory	434.88	434.88	-
	Debtors	546.89	546.89	-
Quarter ended 31st December, 2021*	Inventory	552.62	617.94	65.32
	Debtors	461.02	461.02	-
Quarter ended 30th September, 2021*	Inventory	571.98	641.32	69.33
	Debtors	532.63	532.63	-
Quarter ended 30th June, 2021*	Inventory	556.73	624.88	68.15
	Debtors	371.53	371.53	-

Notes:

* The above stated difference is primarily due to the amount of GST included on cost of materials purchased.



(All amount in INR Millions unless otherwise stated)

42 Financial Instrument and Related Disclosures.

A. Carrying value and Fair Value of Financial Assets and Financial Liabilities with Fair Value Hierarchy

Financial assets and financial liabilities at fair value	Level 1	Level 2	Level 3	Amortised Cost	Total
As at 31st March, 2023					
Financial assets					
Financial assets at Amortised cost					
- Other Financial Assets	-	-	-	15.03	15.03
- Trade Receivables	-	-	-	653.30	653.30
- Cash and Cash Equivalents	-	-	-	0.51	0.51
- Other bank balances	-	-	-	9.83	9.83
Total Financial assets	-	-	-	678.67	678.67
Financial Liabilities					
Financial Liabilities at Amortised Cost					
- Borrowings	-	-	-	737.58	737.58
- Trade payables	-	-	-	51.26	51.26
- Other Financial Liabilities	-	-	-	16.08	16.08
Total Financial Liabilities	-	-	-	804.92	804.92
As at 31st March, 2022					
Financial assets					
Financial assets at Amortised cost					
- Other Financial Assets	-	-	-	15.02	15.02
- Trade Receivables	-	-	-	546.89	546.89
- Cash and Cash Equivalents	-	-	-	19.01	19.01
- Other bank balances	-	-	-	8.59	8.59
Total Financial assets	-	-	-	589.50	589.50
Financial Liabilities					
Financial Liabilities at Amortised Cost					
- Borrowings	-	-	-	697.73	697.73
- Trade payables	-	-	-	21.62	21.62
- Other Financial Liabilities	-	-	-	22.33	22.33
Total Financial Liabilities	-	-	-	741.68	741.68

B. Financial Risk Management

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company continues to focus on a system-based approach to business risk management. The Company's financial risk management process seeks to enable the early identification, evaluation and effective management of key risks facing the business. Backed by strong internal control systems, the current Risk Management System rests on policies and procedures issued by appropriate authorities; process of regular reviews / audits to set appropriate risk limits and controls; monitoring of such risks and compliance confirmation for the same.

(i) Market Risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

Foreign currency risk

The company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the company functional currency exposure.

Exposure to currency Risk	Currency	March 31, 2023	March 31, 2022
Trade receivables (unhedged)	USD	0.06	0.14
Trade payables (unhedged)	USD	0.27	0.01
Other financial liabilities	USD	-	0.01
Other financial assets	USD	0.14	-
SBLC	USD	0.56	0.75



(All amount in INR Millions unless otherwise stated)

As at March 31, 2023, 5% increase/ (decrease) in the exchange rate of Indian Rupee with foreign currencies would result in approximately ₹ -2.58 millions (decrease) / increase in the fair value of the Company's foreign currency dollar denominated financial instruments (As at March 31, 2022, ₹ -2.38 millions).

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 changes in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to the company's long term and short term borrowing with floating interest rates. The company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

The interest rate profile of the company interest bearing financial instruments at the end of the reporting year are as follows:

Particulars	March 31, 2023	March 31, 2022
Fixed rate Instrument		
Financial assets	9.83	8.59
Financial liabilities	166.50	-
Variable rate Instrument		
Financial assets	-	-
Financial liabilities	571.08	697.73

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitivity analysis. As at March 31, 2023, 100 basis points (1%) increase/decrease in the interest rate at Indian currency borrowings would result in approximately ₹ 5.71 millions in the finance cost of the Company's Indian currency borrowings (As at March 31, 2022, ₹ 6.98 millions).

(ii) Liquidity Risk

Liquidity risk is the risk than an entity will encounter difficulty in meeting obligation associated with financial liabilities that are settled by delivering cash or other financial assets. The Company mitigates its liquidity risks by ensuring timely collections of its receivables and close monitoring of its credit cycle.

The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date:

Particulars	Carrying value	On Demand	Less than 1 year	Beyond 1 year	Total
As at 31st March, 2023					
- Borrowings	737.58	642.21	28.22	67.15	737.58
- Trade payables	51.26	-	51.26	-	51.26
- Other Financial Liabilities	16.08	-	16.08	-	16.08
	804.92	642.21	95.56	67.15	804.92
As at 31st March, 2022					
- Borrowings	697.73	597.99	44.19	55.56	697.73
- Trade payables	21.62	-	21.62	-	21.62
- Other Financial Liabilities	22.33	-	22.33	-	22.33
	741.68	597.99	88.14	55.56	741.68



*(All amount in INR Millions unless otherwise stated)***(iii) Credit Risk**

Credit risk is the risk of financial loss arising from counter-party to a financial instrument fail to repay debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks.

Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables and loans, investments in mutual funds and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk except some loans made by the company and against which sufficient provision for expected credit loss has been made.

In respect of trade and other receivables, the company is not exposed to any significant credit risk exposure to any single counterparty. Trade receivables consist of a good number of customers. The company has very limited history of customer default, and considers the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents and bank deposits is considered negligible, since the counterparties are reputable organisations with high quality external credit ratings.

The carrying value of financial assets represents the credit risk. The exposure to credit risk was ₹ 668.33 & 561.90 millions, as at March 31, 2023 and March 31, 2022 respectively, being the total carrying value of trade receivables, loans, investments in mutual funds and other financial assets.

(iv) Capital Management

The Company's policy is to maintain a strong capital base for future development of the business. For the purpose of Company's capital management, capital includes issued capital and all other equity attributable to equity shareholders of the Company. As at 31st March, 2023, the Company has only one class of equity shares.

(v) Hedging activity and derivatives**Fair value hedge of Zinc oxide price risk in inventory**

The company is exposed to fluctuations in zinc oxide price arising on purchase, manufacturing and sale of zinc oxide and inventory of zinc oxide lying with the company. To manage the variability in fair value, the company enters into derivative financial instruments to manage the risk associated with zinc oxide price fluctuations relating to the highly probable forecasted transactions. Such derivative financial instruments are primarily in the nature of future commodity contracts.

The company designates certain derivatives as hedging instruments in respect of commodity price risk in cash flow hedges and fair value hedges. As the value of the derivative instrument generally changes in response to the value of the hedged item, the economic relationship is established.

Category wise outstanding derivatives contracts outstanding are as follows:

Derivatives Instrument	Currency	As at March 2023		As at March 2022	
		No. of deals (Lots)	Amount in foreign currency	No. of deals (Lots)	Amount in foreign currency
Buy forward	USD	1.00	0.08	-	-
Sale forward	USD	10.00	0.80	12.00	1.23

43 Disclosure of any significant dependence on single or few customer:

Company majorly sell its product to various organisation. Following are the breakup of top 10 Customers:

Particular	Year Ended	Year Ended
	March 31, 2023	March 31, 2022
Top 10 customers	4,272.65	3,409.59
% age of total Revenue from operation	92.40%	93.58%

44 The Indian Parliament has approved the Code on Social Security, 2020 ('the Code') which, inter alia, deals with employee benefits during employment and post-employment. The Code has been published in the Gazette of India. The effective date of the Code is yet to be notified and the rules for quantifying the financial impact are also yet to be issued. In view of this, the impact of the change, if any, will be assessed and recognized post notification of the relevant provisions.



45 Other Regulatory Information :

- (i) The Company does not have any Benami property and no proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transactions with struck off Companies.
- (iii) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (iv) The Company has not advanced or given loan or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) 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
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (v) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
 - (a) 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
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vi) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (vii) The Company has not traded or invested in Crypto currency or Virtual Currency during the year.
- (viii) The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.
- (ix) There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.

46 All the figures in these notes are in millions in Indian Rupees except otherwise stated.

47 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure. Accordingly, amounts and other disclosures for the preceding year are included as an integral part of the current year financial Statements and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our report of even date

For S. Jaykishan

Chartered Accountants

Firm's Registration Number :309005E



CA Vishal Agarwal

Partner

Membership No. 315490

Place : Kolkata

Date : The 3rd day of July, 2023.



For and on behalf of the Board of Directors of

BDJ Oxides Private Limited

For BDJ Oxides Private Limited



Anirudh Jhunjhunwala

DIN No. 00234879

Managing Director

For BDJ Oxides Private Limited



Anuj Jhunjhunwala

DIN No.00234926

Director