

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF "NACL SPEC-CHEM LIMITED"

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of "NACL SPEC-CHEM LIMITED" ("the Company"), which comprise the Balance Sheet as at 31st March, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2024, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Shareholder's information, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the

standalone financial statements or our knowledge obtained during the course of our 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.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS 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 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, 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 Standalone Financial Statements

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

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

- (a) 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.
- (b) 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.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, based on our audit we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company does not have any pending litigations which would impact its financial position in its standalone financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - d. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- e. The Company has not declared or paid any dividend during the year in accordance with Section 123 of the Companies Act, 2013.
- f. As per the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company from Financial Year beginning April 1, 2023 and accordingly, except for the instances mentioned below the company has used such accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.
- i. The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software.

For K Vijayaraghavan & Associates LLP
Chartered Accountants
Firm Registration No. S200040/004718S



K. Ragunathan
Partner
Membership No. 213723
UDIN: 24213723BKDIFS1074



Place: Hyderabad
Date: 22 May 2024

Annexure A to the Independent Auditors' Report

(Referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report to the members of "NACL SPEC-CHEM LIMITED" of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a)
 - i. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
 - ii. The Company does not have any Intangible Assets. Accordingly, clause 3(i)(a)(B) of the Order is not applicable.
 - (b) The Company has a programme of physical verification of Property, Plant and Equipment and right-of-use assets by which Property, Plant and Equipment and right-of-use assets are verified in a phased manner over a period of one year. In accordance with this programme, certain Property, Plant and Equipment were verified by the Management during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) The Company does not have any immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favor of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
 - (d) The Company has not revalued its Property, Plant and Equipment (including right-of-use assets) or intangible assets or both during the year. Accordingly, clause 3(i)(d) of the Order is not applicable.
 - (e) There are no proceedings which have been initiated during the year or are pending against the Company as at 31st March, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
 - (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year end, written confirmations have been obtained. 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.

- (b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.
- iii. The Company has neither made any investments in / provided guarantees or security / granted loans or advances in the nature of loans, secured or unsecured loans to companies, firms, Limited Liability Partnerships, other parties. Accordingly,
 - (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee or provided security to any other entity during the year. Accordingly, clause 3(iii)(a)(A) and 3(iii)(a)(B) of the Order is not applicable.
 - (b) The Company has neither made any investments nor has given or provided any securities or guarantees. Accordingly, clause 3(iii)(b) of the Order is not applicable.
 - (c) The Company has not granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. Accordingly, clause 3(iii)(c) of the Order is not applicable.
 - (d) The Company has not granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. Accordingly, clause 3(iii)(d) of the Order is not applicable.
 - (e) The Company has not granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. Accordingly, clause 3(iii)(e) of the Order is not applicable.
 - (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Further, the Company has not made any investments or has given security or provided any guarantee or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, clause 3(iii)(f) of the Order is not applicable
- iv. The Company has not given any loans or guarantees/ made any investments within the meaning of section 185 and 186 of the Companies Act, 2013. Accordingly, clause 3(iv) of the Order is not applicable.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits as per the directives issued by the reserve bank of India and sections 73 to 76 of the Companies Act, 2013 and the rules thereunder. Accordingly, clause 3(v) of the Order is not applicable.

- vi. The Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Accordingly, clause 3(vi) of the Order is not applicable.
- vii. In respect of statutory dues:
- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues including Goods and Service tax, Provident fund, Employees' State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues applicable to it with the appropriate authorities;
- There were no undisputed amounts payable in respect Goods and Service tax, Provident fund, Employees' State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues in arrears as at 31st March 2024 for a period of more than six months from the date they became payable.
- (b) There are no statutory dues relating to Goods and Service tax, Provident fund, Employees' State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues which have not been deposited on account of any dispute.
- viii. The Company does not have any transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 OF 1961).
- ix.
- (a) The Company has not defaulted in the repayment of loans or borrowings and the interest thereon. Our opinion with respect to the same is not modified.
- (b) The Company has not been declared a willful defaulter by any bank or financial institution or lender or government or government authority. Accordingly, clause 3(ix)(b) of the Order is not applicable.
- (c) The Company has applied the term loans for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, the Company has no funds raised on short-term basis for long-term purposes. Accordingly, clause 3(ix)(d) of the Order is not applicable.
- (e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates and joint venture as defined in the Act. Accordingly, clause 3(ix)(e) of the Order is not applicable.
- (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, associates and joint ventures. Accordingly, clause 3(ix)(f) of the Order is not applicable

- x.
- (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.
 - (b) The Company has complied with the requirements of section 42 and section 62 of the Companies Act, 2013 in respect of its preferential allotment of private placement or convertible debentures (Fully, partially, or optionally convertible). The funds so raised were utilized for the purpose for which they were raised.
- xi.
- (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
 - (b) No report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and up to the date of this report.
 - (c) The Company has not received any whistleblower complaints during the year. Accordingly, clause 3(xi)(c) of the order is not applicable.
- xii. The Company is not a Nidhi company. Accordingly, clause 3(xii) of the Order is not applicable.
- xiii. The Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with related parties, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv.
- (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
 - (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi.
- (a) In our opinion, The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi)(a), 3(xvi)(b) and 3(xvi)(c) of the Order are not applicable.
 - (b) In our opinion, there is no Core Investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

- xvii. The Company has incurred INR 396.86 in cash losses during the financial year end and INR 676.68 Lakhs in cash losses during the preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx.
- (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on any projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) and (6) of Section 135 of the said Act. Accordingly, clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable for the year.

For K Vijayaraghavan & Associates LLP
Chartered Accountants
Firm Registration No. S200040/004718S



K. Ragunathan
Partner

Membership No. 213723
UDIN: 24213723BKDIFS1074



Place: Hyderabad
Date: 22 May 2024

Annexure B to the Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of "NACL SPEC-CHEM LIMITED" of even date)

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

We have audited the internal financial controls over financial reporting of "NACL SPEC-CHEM LIMITED" ("the Company") as of 31st March, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

- (a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (b) 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
- (c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K Vijayaraghavan & Associates LLP
Chartered Accountants
Firm Registration No. S200040/0047185



K. Raguathan
Partner

Membership No. 213723

UDIN: 24213723BKDIFS1074



Place: Hyderabad
Date: 22 May 2024

NACL Spec-Chem Limited
Plot No.12A, C Block, Lakshmi Tower Nagarjuna Hills, Panjagutta, Hyderabad, Telangana, 500082

Balance sheet as at

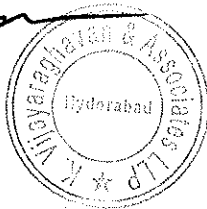
(Amount expressed in ₹ in lakhs unless otherwise stated)

Particulars	31-Mar-2024	31-Mar-2023
Assets		
Non-current assets		
(a) Property, Plant and Equipment	16,457	16,165
(b) Capital work-in-progress	2,027	3,109
(c) Right of Use Asset	2,808	2,839
(d) Financial Assets		
(i) Other Financial asset	145	175
(e) Deferred Tax Assets (Net)	366	143
(f) Other non-current assets	84	-
Current assets		
(a) Inventories	1,496	683
(b) Financial Assets		
(i) Trade Receivables	5,554	255
(ii) Cash and cash equivalents	2	129
(c) Current Tax Assets (Net)	18	7
(d) Other current assets	2,601	2,514
Total Assets	31,558	26,019
Equity and Liabilities		
Equity		
(a) Equity Share capital	200	200
(b) Other Equity	(2,007)	(764)
Liabilities		
Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	18,469	19,238
(ii) Other financial liabilities	1,694	2,276
(b) Provisions	20	11
Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	3,130	2,118
(ii) Trade Payables	8,966	1,630
(iii) Other financial liabilities	1,000	1,227
(b) Other current liabilities	83	19
(c) Provisions	3	64
Total Equity and Liabilities	31,558	26,019

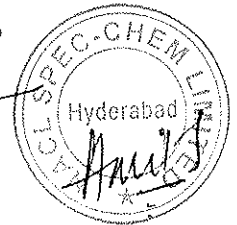
As per our Report of even date
For K Vijayaraghavan & Associates LLP
Chartered Accountants
Firm Registration No.: 0047185/S200040

For and on behalf of the Board of Directors of
NACL Spec-Chem Limited

K. Raghunathan
Partner
Membership No.: 213723
Place: Hyderabad
Date: 22 May 2024



Harish C. Bijlwan **Amit Taparia**
Director Director
DIN: 03149388 DIN: 06973894
Place: Hyderabad Place: Hyderabad
Date: 22 May 2024 Date: 22 May 2024



NACL Spec-Chem Limited
 Plot No.12A, C Block, Lakshmi Tower Nagarjuna Hills, Panjagutta, Hyderabad, Telangana, 500082
 CIN: U24290TG2020PLC140201

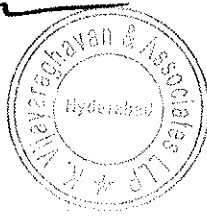
Statement of Financial results for the quarter and year ended
(Amount expressed in ₹ in lakhs unless otherwise stated)

Particulars	Quarter ended			Year ended	
	31-Mar-2024	31-Dec-2023	31-Mar-2023	31-Mar-2024	31-Mar-2023
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
I Income					
a) Revenue from Operations	4,523	4,090	1,622	17,848	1,622
b) Other Income	162	147	135	625	460
Total Income	4,685	4,237	1,757	18,473	2,082
II Expenses					
a) Cost of Materials Consumed	3,708	3,195	1,681	14,372	1,681
b) Changes in Inventories of Finished Goods and Work-in-Progress	(90)	(7)	(274)	(84)	(274)
c) Employee Benefits Expense	205	233	184	840	184
d) Finance Cost	676	479	448	2,258	851
e) Depreciation and amortization expenses	229	231	215	889	220
f) Other expenses	384	402	314	1,664	314
Total expenses	5,112	4,533	2,568	19,939	2,977
Profit/(loss) before exceptional items and tax (I-II)	(427)	(296)	(811)	(1,466)	(895)
IV Exceptional Items	-	-	-	-	-
V Profit/ (loss) before tax(III-IV)	(427)	(296)	(811)	(1,466)	(895)
VI Tax expense:					
a) Current tax	-	-	-	-	-
b) Deferred Tax	(45)	(51)	(143)	(223)	(143)
c) Prior Period Tax	-	-	-	-	2
VII Profit/(Loss) for the period(V-VI)	(382)	(245)	(667)	(1,243)	(754)
VIII Other Comprehensive Income					
a) (i) Items that will not be reclassified to	-	-	-	-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
b) (i) Items that will be reclassified to profit or loss	-	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
IX Total Income for the period (VII+VIII)	(382)	(245)	(667)	(1,243)	(754)
X Earning per equity share					
(i) Basic	(1.91)	(1.23)	(3.34)	(6.22)	(3.77)
(ii) Diluted	(1.91)	(1.23)	(3.34)	(6.22)	(3.77)

As per our Report of even date

For K Vijayaraghavan & Associates LLP
 Chartered Accountants
 Firm Registration No.: 004718S/S200040

K. Ragunathan
 K. Ragunathan
 Partner
 Membership No.: 213723
 Place: Hyderabad
 Date: 22 May 2024



For and on behalf of the Board of Directors of
 NACL Spec-Chem Limited

Harish C. Bijlwan
 Harish C. Bijlwan
 Director
 DIN: 03149388
 Place: Hyderabad
 Date: 22 May 2024

Amit Taparia
 Amit Taparia
 Director
 DIN: 06973894
 Place: Hyderabad
 Date: 22 May 2024



NACL Spec-Chem Limited
CIN: U24290TG2020PLC140201
Standalone Balance Sheet as at
(Amount expressed in ₹ (in Lakhs) unless otherwise stated)

Particulars	Notes	31-Mar-2024	31-Mar-2023
I Assets			
Non-Current Assets			
(a) Property, Plant and Equipment	2	16,457	16,165
(b) Capital Work in Progress	3	2,027	3,109
(c) Right of use assets	4	2,808	2,839
(d) Financial Assets			
(i) Other Financial Assets	5	145	175
(e) Deferred Tax Assets	6	366	143
(f) Other Non-Current Assets	7	84	-
Total - Non-Current Assets (A)		21,887	22,431
Current Assets			
(a) Inventories	8	1,496	683
(b) Financial Assets			
(i) Trade receivables	9	5,554	255
(ii) Cash and cash equivalents	10	2	129
(c) Current Tax Assets (Net)	11	18	7
(d) Other Current assets	12	2,601	2,514
Total Current Assets (B)		9,671	3,588
Total Assets (A+B)		31,558	26,019
Equity And Liabilities			
Equity			
(a) Equity Share Capital	13	200	200
(b) Other Equity	14	(2,007)	(764)
Total Equity		(1,807)	(564)
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	18,469	19,238
(ii) Other Financial Liabilities	17	1,694	2,276
(b) Provisions	18	20	11
Total Non-Current Liabilities (C)		20,183	21,525
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowing	15	3,130	2,118
(ii) Trade Payables	16		
(A) total outstanding dues of micro enterprises and small enterprises; and		1,080	1,345
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		7,886	285
(iii) Other Financial Liabilities	17	1,000	1,227
(b) Other current liabilities	19	83	19
(c) Provisions	18	3	64
Total Current Liabilities (D)		13,182	5,058
Total Equity and Liabilities (C+D)		31,558	26,019
Summary of Significant Accounting Policies	1		
The accompanying notes are an integral part of the standalone financial statements.	2 to 49		

As per our Report of even date

For *K Vijayaraghavan & Associates LLP*

Chartered Accountants

Firm Registration No.: 004718S/S200040

K. Raghunathan

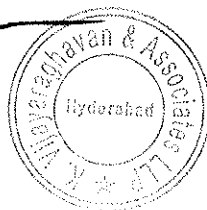
Partner

Membership No.: 213723

Place: Hyderabad

Date: 22 May 2024

UDIN : 24213723BKDIFS1074



For and on behalf of the Board of Directors of
NACL Spec Chem Limited

Harish C. Bijlwan

Director

DIN: 03149388

Place: Hyderabad

Date: 22 May 2024

Amit Taparia

Director

DIN: 06973894

Place: Hyderabad

Date: 22 May 2024



NACL Spec-Chem Limited

CIN: U24290TG2020PLC140201

Standalone Statement of Profit or loss for the year ended

(Amount expressed in ₹ (in Lakhs) unless otherwise stated)

Particulars	Notes	31-Mar-2024	31-Mar-2023
Continuing Operations			
Revenue from Operations	20	17,848	1,622
Other Income	21	625	460
Total Income [I]		18,473	2,082
Expenses			
Cost of Material Consumed	22	14,372	1,682
Changes in inventories of Finished Goods, Stock-In-Trade and Work-In-Progress	23	(84)	(274)
Employee Benefit Expenses	24	840	184
Finance Costs	25	2,258	852
Depreciation and Amortization Expense	26	889	220
Other Expenses	27	1,664	313
Total Expenses [II]		19,939	2,977
Profit/(Loss) before exceptional items and tax from Continuing operations [I-II]		(1,466)	(895)
Exceptional Items			
Profit/(Loss) before tax from Continuing operations		(1,466)	(895)
Tax Expenses			
Current tax	28	-	-
Prior Period Tax	28	-	2
Deferred tax	28	(223)	(143)
Total Tax Expenses		(223)	(141)
Profit/(Loss) for the year from Continuing Operations [III]		(1,243)	(754)
Discontinued operations			
Profit/(Loss) before tax from Discontinued Operations			
Tax Expense from Discontinued Operations			
Profit/(Loss) for the year from Discontinued Operations [IV]		-	-
Profit/(Loss) for the year [V=III+IV]		(1,243)	(754)
Other Comprehensive Income			
A. (i) Items that will not be reclassified to profit or loss	-	-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-
B. (i) Items that will be reclassified to profit or loss	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-
Other Comprehensive Income for the year [VI]		-	-
Total Comprehensive Income for the year [V+VI]		(1,243)	(754)
Earnings per equity share of face value of ₹ 10 each			
Basic - Continuing operations (in ₹)	29	(6.22)	(3.77)
Diluted - Continuing operations (in ₹)	29	(6.22)	(3.77)
Basic - Discontinued operations (in ₹)	29	-	-
Diluted - Discontinued operations (in ₹)	29	-	-
Basic - Continuing & Discontinued operations (in ₹)	29	(6.22)	(3.77)
Diluted - Continuing & Discontinued operations (in ₹)	29	(6.22)	(3.77)
Summary of Significant Accounting Policies	1		
The accompanying Notes are an integral part of the Standalone Financial Statements	2 to 49		

As per our Report of even date

For K Vijayaraghavan & Associates LLP

Chartered Accountants

Firm Registration No.: 004718S/S200040

K. Raghunathan

Partner

Membership No.: 213723

Place: Hyderabad

Date: 22 May 2024

UDIN : 24213723BKDIFS1074



For and on behalf of the Board of Directors of
NACL Spec Chem Limited

Harish C. Bijlwan

Director

DIN: 03149388

Place: Hyderabad

Date: 22 May 2024

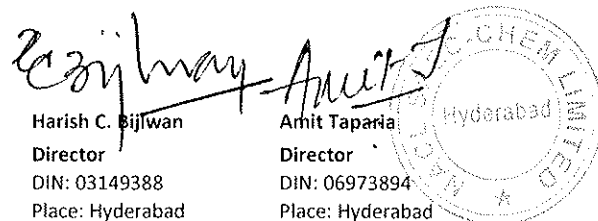
Amit Taparia

Director

DIN: 06973894

Place: Hyderabad

Date: 22 May 2024



NACL Spec-Chem Limited
CIN: U24290TG2020PLC140201
Standalone Statement of Cash Flow for the year ended
(Amount expressed in ₹ (in Lakhs) unless otherwise stated)

Particulars	31-Mar-2024	31-Mar-2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax	(1,466)	(895)
Adjustments For:		
Depreciation & Amortization expenses	889	243
Interest income(Notional)	(581)	(460)
Finance Cost	2,258	852
Adjustment for Corporate Guarantee	-	(210)
Operating Profit before Working Capital Changes	1,100	(470)
Changes in Working Capital:		
Adjustments for (increase)/decrease in operating assets:		
Trade Receivables	(5,299)	(255)
Other current assets	(85)	(1,354)
Other Non Current Assets	(84)	866
Financial Assets	30	(171)
Inventories	(813)	(683)
Current Tax assets	(11)	(5)
Adjustments for increase/(decrease) in operating liabilities:		
Trade Payables	7,336	1,630
Other current liabilities	64	9
Other Financial Liabilities	(809)	140
Provisions	(52)	74
Cash Generated from Operations	1,377	(219)
Benefits Paid		(2)
Net Cash from/(used in) Operating Activities	1,377	(221)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,152)	(16,350)
Capital Work In Progress	1,082	6,392
Net Cash from/(used in) Investing Activities	(70)	(9,958)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Finance Cost	(1,677)	(391)
Long-term borrowings	(769)	6,091
Short-term borrowings	1,012	2,118
Net Cash from/(used in) Financing Activities	(1,434)	7,818
Cash and Cash Equivalents at the Beginning of the Year	129	2,490
Effect of exchange rate changes on cash and cash equivalents	-	-
Net increase/(decrease) in Cash and Cash Equivalents	(127)	(2,361)
Cash and Cash Equivalents at the End of the Year	2	129

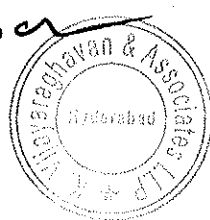
- (i) The Statement of Cash Flows has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) -7
(ii) Figures in bracket indicate cash outgo, except for adjustments for operating activities.
(iii) Previous year's figures have been regrouped/rearranged wherever necessary.

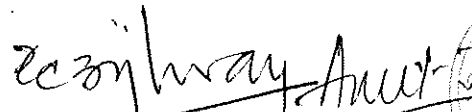
As per our Report of even date

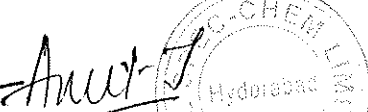
For K Vijayaraghavan & Associates LLP
Chartered Accountants
Firm Registration No.: 004718S/S200040

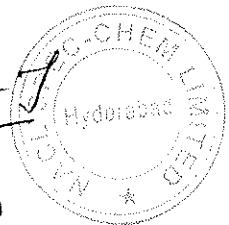
For and on behalf of the Board of Directors
NACL Spec Chem Limited


K. Ragunathan
Partner
Membership No.: 213723
Place: Hyderabad
Date: 22 May 2024
UDIN : 24213723BKDIFS1074




Harish C. Bijlwan
Director
DIN: 03149388
Place: Hyderabad
Date: 22 May 2024


Amit Taparia
Director
DIN: 06973894
Place: Hyderabad
Date: 22 May 2024



NACL Spec-Chem Limited

CIN: U24290TG2020PLC140201

Standalone Statement of Changes in Equity

(Amount expressed in ₹ (in Lakhs) unless otherwise stated)

A Equity Share Capital

1 As at 31 March, 2024 (Current Period)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
200.00	-	-	-	200

2 As at 31 March, 2023 (Previous Period)

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
200.00	-	-	-	200

B Other Equity

1 As at 31 March, 2024 (Current Period)

Particulars	Retained Earnings	Total
Balance at the beginning of the current reporting period	(1,003)	(1,003)
Changes in accounting policy or prior period errors	-	-
Restated balance at the beginning of the current reporting period	-	-
Total Comprehensive Income for the current year	(1,243)	(1,243)
Dividends	-	-
Balance at the end of the current reporting period	(2,246)	(2,246)

2 As at 31 March, 2023 (Previous Period)

Particulars	Retained Earnings	Total
Balance at the beginning of the previous reporting period	(39)	(39)
Changes in accounting policy or prior period errors	-	-
Restated balance at the beginning of the previous reporting period	-	-
Total Comprehensive Income for the previous year	(754)	(754)
Dividends	-	-
Any other change (Adjustment for Corporate Guarantee)	(210)	(210)
Balance at the end of the previous reporting period	(1,003)	(1,003)



NACL Spec-Chem Limited

CIN: U24290TG2020PLC140201

Notes Forming Part of Financial Statements

(Amount expressed in ₹ (in Lakhs) unless otherwise stated)

1 Corporate Information

1. NACL Spec Chem Limited is an Indian company that operates in the Agro chemicals industry. The company was incorporated on 27th April 2020 and is headquartered in Plot No.12A, C Block, Lakshmi Tower Nagarjuna Hills, Panjagutta, Hyderabad, India. It is a subsidiary of the NACL Industries Limited, which deals in manufacturing of Agro Chemical Technicals and Formulations.

2. The company specializes in the manufacture and sale of agrochemical Technicals, which are further formulated for sale to end-users. Its product portfolio includes insecticides and fungicides. The Company has set up a technical unit at PJ7M+FX5, Bharuch - Dahej Rd, Vadadla, Gujarat 392130.

1A Statement of Compliance

These financial statements are prepared and presented in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time as notified under section 133 of Companies Act, 2013, the relevant provisions of the Companies Act, 2013 ("the Act") and the guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

1B Basis of Preparation

These Standalone financial statements are prepared under the going concern basis and at historical cost convention on accrual basis except for certain financial instruments which are measured at fair values and Defined Benefit Plans which are measured as per actuarial valuation.

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

The Company's Financial Statements are presented in Indian Rupees (INR), which is also its functional currency and all values are rounded to the nearest lakhs ('00,000) except when otherwise indicated. The Company has ascertained its operating cycle as upto twelve months for the purpose of current and non-current classification of assets and liabilities.

1C Material Accounting Policy Information

(a) Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods affected.

(b) Property, Plant and Equipment

Property, plant and equipment are stated at acquisition or construction cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the management. Items such as spare parts, standby equipment and servicing equipment are recognised as PPE when these are held for use in the production or supply of goods or services, or for administrative purpose, and are expected to be used for more than one year. Otherwise, such items are classified as inventory.

Capital work-in-progress includes cost of property, plant and equipment under installation/under development as at the reporting date.

The charge in respect of periodic depreciation is derived at after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life in accordance with Schedule II of Companies Act, 2013. The Company depreciates property, plant and equipment over their estimated useful lives using the **straight line method**. The estimated useful lives of assets are as follows :



Particulars	Useful Life as per Schedule II
Computer and other equipment	3 Years
Software	6 Years
Electrical Equipment	10 Years
Office Equipment	5 - 10 Years
Buildings	10- 60 Years
Plant And Machinery	20 Years
Furniture and Fixtures	10

Also, useful life of the part of PPE which is significant to the total cost of PPE, has been separately assessed and depreciation has been provided accordingly.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end. The useful lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition, and in case of a new Project, from the date of commencement of commercial production. Depreciation on deductions/ disposals is provided on a pro-rata basis up to the month preceding the month of deduction/disposal.

(c) Treatment of Expenditure during Construction Period:

Expenditure, net of income earned, during construction (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) period is included under capital work-in-progress, and the same is allocated to the respective PPE on the completion of construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other Non Current Assets".

(d) Classification of Assets and Liabilities as Current and Non-Current

All assets and liabilities are classified as current or noncurrent as per the Company's normal operating cycle, and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time lag between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12 month period has been considered by the Company as its normal operating cycle.

(e) Financial Assets

All financial assets are recognised initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are added to the fair value. However, trade receivables that do not contain a significant financing component are measured at transaction price. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

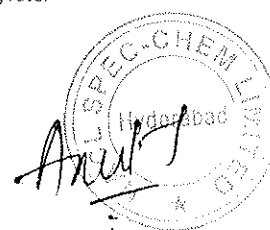
(f) Leases

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if

- i. the contract conveys the right to control the use of an identified asset.
- ii. the Company has substantially all of the economic benefits from the use of the asset through the period of lease and;
- iii. the Company has the right to direct the use of the asset.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received

The right-of-use assets is subsequently depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The lease liability is measured at amortised cost using the effective interest method. The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.



It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(g) Revenue Recognition

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

Revenue is recognized to depict the transfer of promised products or services to customers. Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amount collected on behalf of third party.

Revenue from sale of goods:

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Revenue is net of returns, trade discounts and goods and services tax.

(h) Inventories

Inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, except in case of by-products which are valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

Raw materials, stores and spare parts, and packing materials are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost.

Cost of finished goods, work-in-progress, raw materials, chemicals, stores and spares, packing materials, trading and other products are determined on weighted average basis.

In the absence of cost, waste/scrap is valued at estimated net realisable value. Obsolete, defective, slow moving and unserviceable inventories, if any, are duly provided for. Proceeds in respect of sale of raw materials/stores are credited to the respective heads.

(i) Short-Term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

(i.a) Post Employment Benefits

(i) Defined Contribution Plans

The Company 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 a reduction in future payment or a cash refund.

(ii) Gratuity

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit method, prescribed by the Ind AS-19 'Employee Benefits', which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up final obligation with actuarial valuations being carried out at each balance sheet date. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (if any) (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.



Past service costs are recognised in statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and nonroutine settlements; and

(iii) Compensated Absence Policy:

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or encash the leaves during the period of employment or retirement or at termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognises accumulated compensated absences based on actuarial valuation using the projected unit credit method. Non-accumulating compensated absences are recognised in the period in which the absences occur.

(j) Embedded Derivative

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that would otherwise be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable, that the variable is not specific to a party to the contract. Re-assessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a re-classification of a financial asset out of the fair value through profit or loss. If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109, to the entire hybrid contract. Derivatives embedded in all other host contracts

are accounted for as separate derivatives and recorded at fair value, if their economic characteristics and risks are not closely related to those of the host contracts, and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

1D Other Accounting Policies

(a) Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/depletion and impairment losses, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the Intangible Assets.

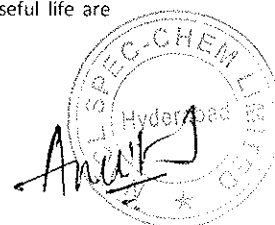
Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Revenue expenditure on research is expensed under the respective heads of the account in the period in which it is incurred. PPE procured for research and development activities are capitalised.

Other Indirect Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Intangible Assets Under Development.

Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use.

The amortisation period and the amortisation method for Intangible Assets with a finite useful life are reviewed at each reporting date.



(b) Cash and Cash Equivalents

Cash and Cash Equivalents comprise cash on hand and cash at banks, including fixed deposit with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less.

(c) Foreign Currency Transactions

Foreign currency transactions are recognized at the rates of exchange prevailing on the dates of the transaction. Liabilities and assets in foreign currency are recognized in the accounts as per the following governing principles:

Non-monetary items denominated in a foreign currency and measured at historical cost are not re-translated. The related revenue and expense are recognized using the same exchange rate.

At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate prevailing at that date

Exchange differences on monetary items are recognised in the Standalone Statement of Profit and Loss in the period

in which these arise except for:

- a) Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- b) Exchange differences relating to qualifying effective cash flow hedges.

(d) Impairment

(d.1) Impairment of Financial Assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. In case of financial assets, the Company follows the simplified approach permitted by Ind AS 109 –Financial Instruments – for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk of trade receivable. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

(d.2) Impairment of Non-Financial Assets

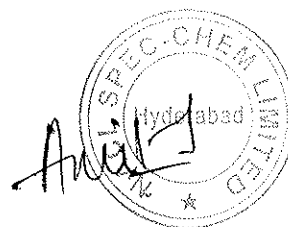
Impairment of Non-Financial Assets - Property, Plant and Equipment and Intangible Assets:

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets not yet available for use, are tested for impairment annually at each balance sheet date, or earlier, if there is an indication that the asset may be impaired.

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 (or cash generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of Profit and Loss.



(e) Non-current Assets Held for Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable.

A sale is considered as highly probable when decision has been made to sell, assets are available for immediate sale in its present condition, assets are being actively marketed and sale has been agreed or is expected to be concluded within 12 months of the date of classification. Non-current assets held for sale are neither depreciated nor amortised.

Assets and liabilities classified as held for sale are measured at the lower of their carrying amount and fair value less cost of disposal and are presented separately in the Balance Sheet.

(f) Borrowing Costs

Borrowing Costs include interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use, are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed, in the period they occur, in the Statement of Profit and Loss.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

(g) Government Grants

Government Grants are recognised when there is a reasonable assurance that the same will be received and all attaching conditions will be complied with. Revenue grants are recognised in the Statement of Profit and Loss. Capital grants relating to specific Tangible or Intangible Assets are recognized as income on a systematic basis over the expected useful life of the related asset. Other capital grants in the nature of promoter's contribution are credited to capital reserve. In case a grant is received for a non-monetary asset, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life.



(h) Research and Development Expenditure

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss as and when incurred.

expected to generate future economic benefits, it is probable that those future economic benefits will flow to the entity and the costs of the asset can be measured reliably, else it is charged to the Statement of Profit and Loss.

(i) Taxes on Income

The tax expenses for the period comprises of current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income. In which case, the tax is also recognised in Other Comprehensive Income.

(i.a) Current Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are enacted at the Balance sheet date.

(i.b) Deferred Taxation

Deferred tax is recognised based on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised 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 losses can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

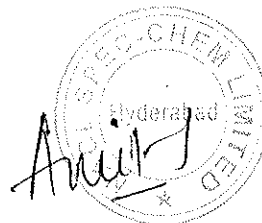
(j) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

(k) Contingent Assets and Liabilities

Disclosure of contingent liability 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 embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.



(l) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(m) Investments

The Company has accounted for its investments in Subsidiaries, associates and joint venture at cost less impairment loss (if any). The investments in preference shares with the right of surplus assets which are in nature of equity in accordance with Ind AS 32 are treated as separate category of investment and measured at FVTOCI.

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'. However, dividend on such equity investments are recognised in Statement of Profit and loss when the Company's right to receive payment is established.

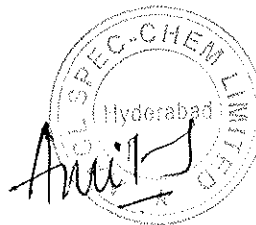
(n) Segment Reporting

Identification of Segments- Operating Segments are identified based on monitoring of operating results by the chief operating decision maker (CODM) separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss, and is measured consistently with profit or loss of the Group.

Operating Segment is identified based on the nature of products and services, the different risks and returns, and the internal business reporting system.

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole. Further, inter-segment revenue has been accounted for based on the transaction price agreed to between segments, which is primarily market based. Unallocated Corporate Items include general corporate income and expenses, which are not attributable to segments.

Detailed disclosure in separate sheet



NACL Spec-Chem Limited
CIN: U24290TG2020PLC140201

Notes to Accounts

(Amount expressed in ₹ (in Lakhs) unless otherwise stated)

5. Other Financial Asset	31-Mar-2024	31-Mar-2023
Non Current		
Security Deposits	145	175
Total	145	175

Note 5.1:

Security Deposits comprises an Electricity Deposit of Rs. 1,17,97,716 made for a capacity of 1800 KVA @ 11KV with Dakshin Gujrat Vij Company Limited which carries interest at a rate of 6.75%

6. Deferred Tax Asset	31-Mar-2024	31-Mar-2023
Deferred Tax Asset		
On account of		
Depreciation	(497)	(185)
Provision for Employee Benefits	5	2
Carry Forward of Losses	828	326
Others	30	-
Total	366	143

Note 6.1 : Movement in Deferred Tax Assets

Particulars	Charge/(Credit) to Statement of P&L		Charge/(Credit) to OCI	
	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023
Deferred Tax Asset ~				
Depreciation	(312.00)	(185.00)	-	-
Provision for Employee Benefits	3.00	2.00	-	-
Carry Forward of Losses	502.00	326.00	-	-
Others	30.00	-	-	-
Total	223.00	143.00	-	-

7. Other Non-Current Assets	31-Mar-2024	31-Mar-2023
Capital Advances	84	-
Total	84	-

8. Inventories	31-Mar-2024	31-Mar-2023
Raw materials	702	384
Work-in-progress	145	69
Finished Goods	213	205
Packing Materials	10	22
Stores & Spares	426	3
Total	1,496	683

Note 8.1: Raw materials comprises of goods in transit amounting to INR 45,92,437 as on 31st March 2024 and NIL as on 31st March 2023.

Note 8.2: Details of inventories pledged as security for liabilities is as follows:

Particulars	31-Mar-2024	31-Mar-2023
--- Raw Materials / Work-in-progress	1,283	478
--- Finished goods / Stock-in-trade	213	205
Total	1,496	683



9 Trade Receivables	31-Mar-2024	31-Mar-2023
Current		
Considered Good- Secured		
--- From Related Parties	2,467	159
--- From Others	3,087	96
Total	5,554	255

Note 9.1

Particulars	Not Due	Outstanding for following periods from due date of payment*					Total
		Less than 6 months	6 months - 1 year	1 year - 2 years	2 years-3 years	More than 3 years	
As at 31 March 2024:							
(i) Undisputed - Considered good	4,511.00	1,034.00	9.00	-	-	-	5,554
(ii) Undisputed - Which have significant increase in credit risk		-	-	-	-	-	-
(iii) Undisputed - Credit impaired		-	-	-	-	-	-
(iv) Disputed - considered good		-	-	-	-	-	-
(v) Disputed - Which have significant increase in credit risk		-	-	-	-	-	-
(vi) Disputed - Credit impaired		-	-	-	-	-	-
Total	4,511.00	1,034.00	9.00	-	-	-	5,554

Note 9.2

Particulars	Not Due	Outstanding for following periods from due date of payment*					Total
		Less than 6 months	6 months - 1 year	1 year - 2 years	2 years-3 years	More than 3 years	
As at 31 March 2023:							
(i) Undisputed - Considered good	-	255.00	-	-	-	-	255
(ii) Undisputed - Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed - Credit impaired	-	-	-	-	-	-	-
(iv) Disputed - considered good	-	-	-	-	-	-	-
(v) Disputed - Which have significant increase in credit risk.	-	-	-	-	-	-	-
(vi) Disputed - Credit impaired.	-	-	-	-	-	-	-
Total	-	255.00	-	-	-	-	255

10 Cash & Cash Equivalents	31-Mar-2024	31-Mar-2023
Balances with banks		
In current accounts	2	129
Total	2	129



11 Current Tax Assets	31-Mar-2024	31-Mar-2023
TDS & TCS Receivable	18	7
Total	18	7

12 Other Current Assets	31-Mar-2024	31-Mar-2023
Balance with customs, central excise etc.,	2,336	2,469
Input Tax Credit to be claimed	181	-
Prepaid Expenses	73	44
Advance to material Suppliers and Others	3	1
Export incentives receivable	8	-
Total	2,601	2,514

13 Share Capital	31-Mar-2024	31-Mar-2023
Authorized: CY 2,00,00,000 Equity Shares of Rs.1/- each (PY 2,00,00,000 Equity Shares of Rs.1/- each)	200	200
Issued and Subscribed and Paid Up : CY 2,00,00,000 Equity Shares of Rs.1/- each (PY 2,00,00,000 Equity Shares of Rs.1/- each)	200	200
Total	200	200

Note 13.1: Reconciliation of number of Ordinary (Equity) Shares and amount outstanding :

Particulars	31-Mar-2024		31-Mar-2023	
	No. of Shares	Amount	No. of Shares	Amount
Balance as at the beginning of the year	2,00,00,000	200.00	2,00,00,000	200
Add : Issued during the year for cash	-	-	-	-
Balance as at the end of the year	2,00,00,000	200.00	2,00,00,000	200

Note 13.2: Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of Rs. 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Note 13.3: Details of Equity Shares held by shareholders including the holding company:

Name of the Shareholder	31-Mar-2024		31-Mar-2023	
	No. of Shares	% Shareholding	No. of Shares	% Shareholding
NACL Industries Limited (Holding Company)	1,99,99,994	99.99997%	1,99,99,994	1

Note 13.4: Please note that the no.of shares mentioned in the above disclosures of this note are not in Lakhs.

Note 13.5: Details of Equity Shares held by shareholders holding more than 5% of the aggregate shares in the Company :

Name of the Shareholder	31-Mar-2024		31-Mar-2023	
	No. of Shares	% Shareholding	No. of Shares	% Shareholding
Equity Shares				
NACL Industries Limited (Holding Company)	1,99,99,994	99.99997%	1,99,99,994	1



Note 13.6: Shares held by promoters at the end of the year

S. No	Promoter name	No. of Shares**	% of total shares	% Change during the year
1	NACL Industries Limited	1,99,99,994	1	-
2	Mr.V.V.N Raju	1	0	-
3	Mr.Puram Narender	1	0	-
4	Mr.M.V.S.Samba Siva Rao	1	0	-
5	Mr.Masthan Vara Prasad Raju Chintalapati	1	0	-
6	Mrs. Madhumathi Pagolu	1	0	-
7	Mr.Manikya Rao Dusari	1	0	-
	Total	2,00,00,000	1	-

Note 13.7: Other Disclosures

(i) The company has not issued any shares without payment being in cash.
(ii) There has been no issue of bonus shares or right shares.
(iii) The company has not undertaken any buy-back of shares.
(iv) The company has not reserved any shares for issue under options.
(v) The company has not entered into any contract or commitment for the sale of shares or disinvestment.

14 Other Equity	31-Mar-2024	31-Mar-2023
Retained Earnings*		
Opening Balance	(1,003)	(39)
Net Profit /(Loss) for the year as per the Statement of Profit and Loss	(1,243)	(754)
Adjustment of Corporate Guarantee	-	(210)
Net Surplus in the Statement of Profit and Loss	(2,246)	(1,003)
Deemed Capital Contribution		
Opening	239	239
Add :	-	-
Closing	239	239
Total	(2,007)	(764)

*Retained Earnings represents surplus i.e balance of the relevant column in the Statement of Changes in Equity

15 Borrowings	31-Mar-2024	31-Mar-2023
Non Current		
Secured :		
Term Loans		
Banks	10,863	12,214
Unsecured:		
Complusory Convertible Debentures	7,606	7,024
Total Non Current	18,469	19,238
Current		
Secured:		
Borrowings	1,780	1,194
Current maturities of long-term borrowing	1,350	924
Total Current	3,130	2,118



Note 15.1:

Disclosure regarding the terms of the loan:

Term Loan - 1 from Private Sector Banks

Particulars	Remarks
Nature and details of the Security given	First ranking pari-passu charge on the 1. Movable fixed assets of the Company of the Company both present and future 2. Leasehold rights of Immovable fixed assets of the Company both present and future Second ranking pari-passu charge on the 1. Current assets of the Company both present and future Corporate guarantee from NACL Industries Limited, Holding Company.
Date of sanction of loan	21-08-2021
Amount sanctioned (Limit)	100 Crores
Period of loan	5 years, ending in 2028
No. of Installments	22 quarterly installments after moratorium of 18 months
Purpose	Setting up of Factory at Dahej.
Rate of Interest	In the range of 10.55% and 10.62%
Period and amount of default	No default during the year

Term Loan - 2 from Private Sector Banks

Particulars	Remarks
Nature and details of the Security given	First ranking pari-passu charge on the 1. Movable fixed assets of the Company of the Company both present and future 2. Leasehold rights of Immovable fixed assets of the Company both present and future Second ranking pari-passu charge on the 1. Current assets of the Company both present and future Corporate guarantee from NACL Industries Limited, Holding Company.
Date of sanction of loan	15-09-2021
Amount sanctioned (Limit)	35 Crores
Period of loan	5 years, ending in 2028
No. of Installments	22 quarterly installments after moratorium of 18 months
Purpose	Setting up of Factory at Dahej.
Rate of Interest	In the range of 10.55% and 10.75%
Period and amount of default	No default during the year

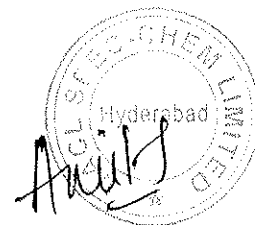
Note 15.3:

Debentures have been issued under the following terms

Certificate No	1	2	3	4	5	6
No of Debentures	2800	200	500	500	500	500
Date of Issue	30-10-2020	01-03-2021	01-06-2021	03-07-2021	44,441	44,547
Interest	0.01%	0.01%	0.01%	0.01%	0	0
Face Value (in RS)	2,800.00	200.00	500.00	500.00	500	500
Term loan borrowing rate	8.25%	8.25%	8.25%	8.25%	0	0

Certificate No	7	8	9	10	11	12
No of Debentures	500	1000	500	500	500	500
Date of Issue	11-03-2022	21-03-2022	27-07-2022	25-08-2022	44,824	44,846
Interest	0.01%	0.01%	0.01%	0.01%	0	0
Face Value (in RS)	500.00	1,000.00	500.00	500.00	500	500
Term loan borrowing rate	8.25%	8.25%	8.25%	8.25%	0	0

Certificate No	13	14	15
No of Debentures	200	200	400
Date of Issue	23-11-2022	20-12-2022	01-02-2023
Interest	0.01%	0.01%	0.01%
Face Value (in RS)	200.00	200.00	400.00
Term loan borrowing rate	8.25%	8.25%	8.25%



Note 15.4:

The interest payable on debenture is notional (0.01% p.a.), hence Term Loan borrowing rate (8.25% p.a) has been considered as the discounting rate for computation of Fair Value of Compulsory Convertible Debentures. Interest on debenture(Expense) and amortization of derivative component (Income) are notional in nature and hence will offset each other on an yearly basis.

Note 15.5:

The value of compulsorily convertible debentures (CCD) is not a value that is to be paid by the company ever, though being reflected as a liability until they are converted pursuant to applicable accounting standards. Neither there is a real nor notional liability to effectively pay out of company's assets and hence, keeping the long-standing fundamental matching principle of reflection of short-term current assets to meet short term current liabilities, it will be improper to reflect the CCD value under short term current liabilities. Reflection under short term current liabilities will provide mismatch in recognition of company's short term current assets to meet short term current liabilities and stakeholder's ability to assess company's sustainable cash-flow management. Hence the same is best reflected under long term liabilities rather than short term current liabilities.

Note 15.6:

Loans repayable on demand from banks (includes Cash Credit Facilities and buyers credit availed under non fund based limits) from Private Sector Banks are secured by way of hypothecation of current assets comprising stock in trade, book debts and stores and spares, both present and future. The aforesaid facilities are further secured by second charge on the Company's immovable and movable properties, both present and future and corporate guarantee from NACL Industries Limited, Holding Company. Rate of interest on Rupee loans repayable on demand is in the range of 9.60% to 9.75% p.a.

16 Trade Payables	31-Mar-2024	31-Mar-2023
Current :		
(a) Total outstanding dues of micro enterprises and small enterprises	1,080	1,345
(b) Total outstanding dues of creditors other than micro	7,886	285
Sub-Total	8,966	1,630

Note 16.1

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2 years- 3 years	More than 3 years	
As at 31st March 2024						
(i) MSME	425.00	653.00	2.00	-	-	1,080
(ii) Others	5,158.00	2,726.00	2.00	-	-	7,886
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-	-
Total	5,583.00	3,379.00	4.00	-	-	8,966

Note 16.2

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2 years- 3 years	More than 3 years	
As at 31st March 2023						
(i) MSME	-	1,345.00	-	-	-	1,345
(ii) Others	-	285.00	-	-	-	285
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-	-
Total	-	1,630.00	-	-	-	1,630



Note 16.3: Dues to micro and small enterprises - As per Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED' Act)

Particulars	31-Mar-2024	31-Mar-2023
1. Principal amount due to suppliers registered under the MSMED Act and remaining unpaid	1,080	1,345
2. Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	167	-
3. Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	2,021	-
4. Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
5. Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
6. Interest due and payable towards suppliers registered under MSMED Act, for payments already made.	145	-
7. Further interest remaining due and payable for earlier years	-	-

Disclosures relating to Micro, Small and Medium enterprises

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

17. Other Financial Liabilities	31-Mar-2024	31-Mar-2023
Non Current		
Debtentures (Derivative)	1,694	2,276
Total Non Current	1,694	2,276
Current		
Interest on Term Loan Payable	83	87
Capital Payables	917	1,140
Total Current	1,000	1,227

18. Provisions	31-Mar-2024	31-Mar-2023
Non Current		
(a) Provision for employee benefits		
Provision for gratuity	11	6
Provision for Leave Encashment	9	5
Total Non Current	20	11
Current		
(a) Provision for employee benefits :		
Provision for gratuity	-	-
Provision for Leave Encashment	3	1
Provision for Bonus	-	2
(b) Others:		
Provision For Expenses	-	61
Total Current	3	64

19. Other Liabilities	31-Mar-2024	31-Mar-2023
Current		
Deferred Revenue	40	-
Statutory dues payable	43	19
Total	83	19



NACL Spec-Chem Limited
CIN: U24290TG2020PLC140201

Notes to Accounts

(Amount expressed in ₹ (in Lakhs) unless otherwise stated)

2 Property, Plant & Equipment	Buildings	Plants & Equipments	Computers	Furniture & Fixtures	Office Equipment	Total
Cost/Deemed cost						
At 1 April 2022	-	5	5	16	3	29
Additions	6,839	9,329	24	85	72	16,349
Deletions	-	-	-	-	-	-
At 31 March 2023	6,839	9,334	29	101	75	16,378
Additions	80	988	7	16	61	1,152
Deletions	-	-	-	-	-	-
At 31 March 2024	6,919	10,322	36	117	136	17,530
Depreciation and impairment						
At 1 April 2022	-	-	-	-	-	-
Depreciation charge for the year	67	134	4	4	4	213
Disposals	-	-	-	-	-	-
At 31 March 2023	67	134	4	4	4	213
Depreciation charge for the year	269	558	8	11	12	858
Disposals	-	-	-	-	-	-
At 31 March 2024	336	692	12	15	17	1,072
Net book value						
At 31 March 2024	6,583	9,630	24	101	119	16,457
At 31 March 2023	6,772	9,200	25	97	71	16,165

Disclosure regarding the title deeds not held in the name of the company:

There are no such case as at the balance sheet date.

Disclosure of revaluation of Assets:

During the year, the Company has not revalued its Property, Plant and Equipments.

3 Capital Work in Progress	31-Mar-2024	31-Mar-2023
Opening Capital Work in Progress	3,109	9,501
Additions	436	9,925
Transfer to Inventory	(378)	-
Transfer to PPE	(1,140)	(16,317)
Closing Capital Work in Progress	2,027	3,109

Note 3.1. CWIP Ageing Schedule as at 31st March, 2024

Particulars	Amount of CWIP for a period of				Total
	Less Than 1 Year	1-2 Years	2-3 Years	More than 3 years	
Project in Progress	353	293	1,381	-	2,027
Project Temporarily Suspended	-	-	-	-	-

Note 3.2. CWIP Ageing Schedule as at 31st March, 2023

Particulars	Amount of CWIP for a period of				Total
	Less Than 1 Year	1-2 Years	2-3 Years	More than 3 years	
Project in Progress	959	2,150	-	-	3,109
Project Temporarily Suspended	-	-	-	-	-

Note 3.3. CWIP Projects whose completion overdue or cost exceeded original plan (31st March, 2024)

CWIP	To be completed in				Total
	Less Than 1 Year	1-2 Years	2-3 Years	More than 3 years	
Project 1	22	-	-	-	22



4 Right of use assets

(A) Additions to right of use assets

There are no additions in the current year.

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

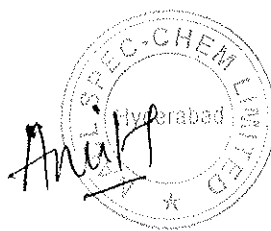
Particulars	31-Mar-2024	31-Mar-2023
Opening Balance	2,839	2,870
Depreciation charge for the year	31	8
Capitalised During the Year	-	23
Closing Balance	2,808	2,839

(C) Maturity analysis of lease liabilities

There is no outstanding lease liability.

(D) Amounts recognised in Statement of Profit & Loss pertaining to Lease Liabilities - NIL

(E) Total cash outflow for leases recognised in the statement of cash flows - NIL



NACL Spec-Chem Limited
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Notes to Accounts

(Amount expressed in ₹ (in Lakhs) unless otherwise stated)

20 Revenue From Operations	31-Mar-2024	31-Mar-2023
A Revenue from Sale of Products		
Manufactured goods	17,809	1,590
	17,809	1,590
B Other operating revenues		
Export incentives	15	-
Scrap & Other Sales	24	32
	39	32
Total (A+B)	17,848	1,622

Note 20.1: Disaggregated revenue information	31-Mar-2024	31-Mar-2023
Revenue from contracts with customers disaggregated based on geography		
a. Domestic	17,071	1,590
b. Exports	738	-
Total	17,809	1,590

21 Other Income	31-Mar-2024	31-Mar-2023
Unwinding of discount on 0.01% cumulative convertible debentures	593	460
Net foreign exchange losses	1	-
Miscellaneous Income	31	-
Total	625	460

22 Cost Of Material Consumed	31-Mar-2024	31-Mar-2023
Raw materials consumed	14,168	1,677
Packing Materials Consumed	204	5
Total	14,372	1,682

23 Changes in inventories of finished goods, work-in-progress and Stock-in-trade	31-Mar-2024	31-Mar-2023
Opening Balance		
Finished goods	69	-
Work-in-progress	205	-
Total Opening Balance	274	-
Closing Balance		
Finished goods	213	205
Work-in-progress	145	69
Total Closing Balance	358	274
Total	(84)	(274)

24 Employee Benefit Expenses	31-Mar-2024	31-Mar-2023
Salaries, Wages and bonus	593	131
Contribution to provident funds and other funds	46	9
Gratuity	9	6
Staff welfare expenses	192	38
Total	840	184



25 Finance Costs	31-Mar-2024	31-Mar-2023
Interest on Term Loan	1,179	294
Interest on Working Capital Loan	102	13
Notional Interest on Debenture	581	460
Bank Charges	23	-
Other Finance Expense	371	85
Other interest expenses	2	-
Total	2,258	852

26 Depreciation & Amortisation Expenses	31-Mar-2024	31-Mar-2023
Depreciation on plant, property and equipment	858	212
Amortisation on Right of use asset	31	8
Total	889	220

27 Other Expenses	31-Mar-2024	31-Mar-2023
Auditor's Remuneration	8	5
Consumption of stores, spares and consumable	71	20
Legal and Professional fees	75	14
Rent for godown	1	-
Insurance	66	14
Power and fuel	708	102
Printing and Stationery	6	2
Licences and Renewals	2	-
Statutory Expenses	4	1
Rates and Taxes	-	-
Other Manufacturing Costs	574	113
Rent	-	-
Repairs and maintenance	3	-
— Plant and machinery	29	-
— Others	22	4
Telephone and communication charges	2	-
Internet Charges	5	-
Security Charges	44	10
Travel and Conveyance	9	11
Vehicle Hire Expenses	4	4
Export and Export related expenses	4	-
Miscellaneous Expenses	27	13
Total	1,664	313

Note 27.1: Details of Payment to Auditors for (including taxes):	31-Mar-2024	31-Mar-2023
As Auditor:		
— Audit Fee	7	4
— Tax Audit	2	1
In other capacity:		
— Reimbursement of Expenses	-	-
Total	9	5

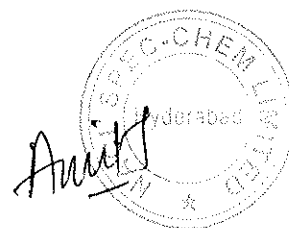


28 Tax Expenses	31-Mar-2024	31-Mar-2023
Current Income Tax		
(i) Income Tax Expense for current year	-	-
(ii) Income Tax Expense for earlier years	-	2
Deferred Income Tax	(223)	(143)
Total	(223)	(141)

Note 28.1: Tax expenses for the year can be reconciled to the accounting profit as follows:	31-Mar-2024	31-Mar-2023
Profit Before Tax	(1,466)	(895)
Applicable Tax Rate	0	0
Expected Income Tax Expense	(252)	(154)
Tax Effect of :		
Exempted Income	(581)	(460)
Expenses Disallowed	1,836	778
Expenses Allowed	(2,718)	(1,321)
Current Tax Provision (A)	(2,929)	(1,898)
C/F Losses	2,929	1,898
Net current tax exp	-	-
Incremental Deferred tax Liability / (Asset) on account of Property, Plant and Equipment and Intangible Assets	312	185
Incremental Deferred tax Liability / (Asset) on account of Financial Assets and Other	(535)	(328)
Deferred Tax Provision (B)	(223)	(143)
Prior Period Taxes (C)	-	2
Tax expenses recognised in Statement of Profit and Loss (A+B)	(223)	(141)
Effective Tax Rate	-	-

(Amt in INR - not in lakhs)

29 Earnings per Share	31-Mar-2024	31-Mar-2023
(a) Profit for the year (₹)	(12,43,00,000)	(7,54,00,000)
(b) Weighted average number of Equity Shares outstanding	2,00,00,000	2,00,00,000
(c) Earnings per share on profit for the year (Face value ₹ 10 per share)		
- Basic [(a)/(b)]	(6)	(4)
- Diluted [(a)/(d)]	(6)	(4)



NACL Spec-Chem Limited
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Notes to Accounts

(Amount expressed in ₹ (in Lakhs) unless otherwise stated)

30 Related Party Disclosures

A) Names of related parties and description of relationship:

Party Name	Relationship
Details of Holding and Subsidiaries:	
KLR Products Limited (KLRPL)	Ultimate Holding Company
NACL Industries Limited(NACL)	Holding Company
LR Research Laboratories Private Limited (LRLPL)	Subsidiary of Holding Company
NACL Multi-Chem Private Limited (NMCPL)	Subsidiary of Holding Company
Nagarjuna Agrichem (Australia) Pty Limited, Australia (NAPL)	Subsidiary of Holding Company
NACL Industries (Nigeria) Limited., Nigeria.	Subsidiary of Holding Company
NACL Agri-solutions Private Limited	Subsidiary of Holding Company
Nasense Labs Private Limited	Associate of Subsidiary of Holding
Details of Key Managerial Person:	
Mr. Harish C. Bijlwan	Director
Mr. Roshan Mammen	Director
Mr. Amit Taparia	Director
Details of Common Key Managerial Person:	
Indo International Fertilizers Limited	Common Key Managerial Person

B) Transactions with related parties during the year:

Nature of Transaction	Party Name	31-Mar-2024	31-Mar-2023
Amount Paid/Received to/from of Holding Company			
Purchases	NACL Industries Limited	7,152	344
Sales	NACL Industries Limited	10,849	3,811
Interest	NACL Industries Limited	-	1
Reimbursement of expenses	NACL Industries Limited	2	30
Rent	NACL Industries Limited	*	*
Corporate Guarantee Commission (CG Amount = 165 Crores)	NACL Industries Limited	115	68
Corporate Guarantee received from	NACL Industries Limited	1,000	8,034
Compulsory Convertible Debentures Issued to	NACL Industries Limited	-	2,800
Share services, Other expenses	NACL Industries Limited	-	201

* Less than 1 Lakh

C) Balances outstanding at the end of the year



Particulars	Party Name	31-Mar-2024	31-Mar-2023
Trade Receivables	NACL Industries Limited	2467	159
Trade Payable	NACL Industries Limited	5013	0
Deemed Capital Contribution	NACL Industries Limited	239	239
Compulsorily Convertible Debentures	NACL Industries Limited	9300	9300
Corporate Guarantee Amount	NACL Industries Limited	17500	16500

31 Disclosures Required By Indian Accounting Standard 19 - Employee Benefits

31.1 Defined Contribution Plan

The Company has recognised, in the Statement of Profit and Loss for the current year, an amount of INR 35 Lakhs (previous year INR 22 Lakhs) as expenses under the following defined contribution plan.

Particulars	31-Mar-2024	31-Mar-2023
Employer's Contribution to Provident Fund	35	22
Total	35	22

31 Defined Benefit Plan	
a) Gratuity	
The Company provides for gratuity, a defined retirement benefits plan (the "Gratuity Plan") covering the existing employees. The plan provides to vest employees a lump sum amount based on the respective employee's salary and the number of years of employment with the Company at the time of retirement or termination of employment. The Company determines its liability towards gratuity cost based on an actuarial valuation.	
The principal actuarial assumptions used in determining gratuity obligation for the Company's plans are made by Mr. I Sambasiva Rao, Hyderabad shown below:	

a) Reconciliation for present value of obligations	31-Mar-2024	31-Mar-2023
Present value of obligations as at the beginning of Year	5	-
Interest Cost	-	-
Current Service Cost	7	5
Past Service Cost	-	-
Benefits paid	(3)	-
Actuarial loss/ (gain) on obligation	1	-
Present value of obligations as at the end of year	10	5

b) Reconciliation for Fair Value of Plan Assets	31-Mar-2024	31-Mar-2023
Fair value of plan assets at the beginning of year	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid	-	-
Actuarial gain on plan assets	-	-
Adjustment to the Opening fund	-	-
Fair value of plan assets at the end of year	-	-

c) Expenses Recognised during the year	31-Mar-2024	31-Mar-2023
Current Service cost	7	5
Past Service Cost	-	-
Interest Cost	-	-
Expected return on plan assets	-	-
Actuarial loss/ (gain) on obligation	-	-
Expenses to be recognised in the Statement of Profit & Loss	7	5
Actuarial (Gain)/ Loss	1	-
Return on Plan Assets	-	-
Net (Income)/ Expense for the period recognised in OCI	1	-
Total Expense recognised during the year	8	5

d) Movement in Liability	31-Mar-2024	31-Mar-2023
Present value of obligations as at the end of year	10	5
Fair value of plan assets as at the end of the year	-	-
Funded status	10	5
Movement in Liability	10	5

e) Actuarial Assumptions	31-Mar-2024	31-Mar-2023
Discount Rate (per annum)	7.22%	7.50%
Salary Escalation	6%	6%
Attrition rate	8%	8%
Mortality	100%	100%



g) Sensitivity Analysis

The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

Particulars	31-Mar-2024		31-Mar-2023	
	Increase	Decrease	Increase	Decrease
Change in rate of discounting (Salary Escalation of +/- 1%)	12	10	6	5
Change in rate of discounting (Withdrawal Rates of +/- 1%)	11	12	5	6
Change in rate of discounting (Mortality Rates of +/- 10%)	11	11	6	6
Change in rate of discounting (Discount Rate Effect of +/- 1%)	10	12	5	6

These plans typically expose the Company to actuarial risks such as: Investment Risk, Interest Risk, Longevity Risk and Salary Risk.

Investment risk : The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk : A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

32 Leave Encashment

a) Reconciliation for present value of obligations	31-Mar-2024	31-Mar-2023
Present value of obligations as at the beginning of Year	6	-
Interest Cost	-	-
Current Service Cost	9	6
Past Service Cost	-	-
Benefits paid	(4)	-
Actuarial loss/ (gain) on obligation	-	-
Present value of obligations as at the end of year	11	6

b) Reconciliation for Fair Value of Plan Assets	31-Mar-2024	31-Mar-2023
Fair value of plan assets at the beginning of year	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid	-	-
Actuarial gain on plan assets	-	-
Adjustment to the Opening fund	-	-
Fair value of plan assets at the end of year	-	-

c) Expenses Recognised during the year	31-Mar-2024	31-Mar-2023
Current Service cost	9	6
Past Service Cost	-	-
Interest Cost	-	-
Expected return on plan assets	-	-
Actuarial loss/ (gain) on obligation	-	-
Expenses to be recognised in the Statement of Profit & Loss	9	6
Actuarial (Gain)/ Loss	-	-
Return on Plan Assets	-	-
Net (income)/ Expense for the period recognised in OCI	-	-
Total Expense recognised during the year	9	6



d) Movement in Liability	31-Mar-2024	31-Mar-2023
Present value of obligations as at the end of year	11	6
Fair value of plan assets as at the end of the year	-	-
Funded status	11	6
Movement in Liability	11	6

e) Actuarial Assumptions	31-Mar-2024	31-Mar-2023
Discount Rate (per annum)	7.22%	7.50%
Salary Escalation	6%	6%
Attrition rate	8%	8%
Mortality	100%	100%

g) Sensitivity Analysis
The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given

Particulars	31-Mar-2024		31-Mar-2023	
	Increase	Decrease	Increase	Decrease
Change in rate of discounting (Salary Escalation of +/- 1%)	13	12	7	6
Change in rate of discounting (Attrition Rates of +/- 1%)	12	12	6	6
Change in rate of discounting (Mortality Rates of +/- 10%)	12	12	6	6
Change in rate of discounting (Discount Rate Effect of +/- 1%)	12	13	6	7

These plans typically expose the Company to actuarial risks such as: Investment Risk, Interest Risk, Longevity Risk and Salary Risk.

Investment risk : The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk : A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

32 Disclosure of Foreign Currency Transactions	31-Mar-2024	31-Mar-2023
Earnings in Foreign Exchange		
Sale of Goods	738	-
Total	738	-
Expenditure in foreign currency		
Purchases	1,359	228
Total	1,359	228

33 Segment Reporting
As the Company's business activities fall within a single primary segment viz-a-viz "sale of agrochemicals - bromochlorophenol, profenofos and Tebuconazole.", therefore the disclosure requirements of Indian Accounting Standard 108 - Operating Segments are not applicable. The Company sells its products mainly within India where the conditions prevailing are uniform.



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(Amount expressed in ₹ (in Lakhs) unless otherwise stated)

34 Research and Development

34.1 Research and Development expense charged to statement of P&L a/c

Particulars	31-Mar-2024	31-Mar-2023
Employee Benefits Expenses	71	29
Depreciation	10	2
Other Expenses	10	5
Total	91	37

34.2 Research and Development expense Capitalized

Particulars	31-Mar-2024	31-Mar-2023
Plant & Machineries	-	1
Furniture and Fixtures	-	24
Equipment	54	53
Total	54	78
Total R&D Expenses (34.1 + 34.2)	145	115

35 Contingent liabilities & Commitments:

Particulars	31-Mar-2024	31-Mar-2023
Contingent liabilities:		
(a) Claims against the company not acknowledged as	167	-
Commitments:		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	56	-
Total	223	-

36 Capital Management

The Company manages its capital to ensure that it will continue as going concern while maximising the return to stakeholders by optimising cost of capital through flexible capital structure that supports growth. The company manages its capital structure on the basis of annual operating plan and long-term strategic plans and makes adjustment in light of changes in business condition. The funding requirements are met through internal accruals and long-term/short-term borrowings. Further, it ensures optimal credit risk profile to maintain/enhance credit rating. The overall strategy remains unchanged as compare to last year.



A handwritten signature in black ink is written over a circular stamp. The stamp contains the text 'NACL SPEC-CHEM LIMITED' around the top edge and 'Jaipur' in the center. There is also a small star symbol at the bottom of the stamp.

37 Financial Instruments**37.1 Fair Valuation Measurement Hierarchy**

Particulars	As at 31st March 2024				As at 31st March 2023			
	Carrying Amount	Level 1*	Level 2*	Level 3*	Carrying Amount	Level 1*	Level 2*	Level 3*
Financial Assets								
At Amortized Cost								
Trade Receivables	5,554	-	-	5,554	255	-	-	255
Cash and Bank Balances	2	-	-	2	129	-	-	129
Other Financial Assets	2,601	-	-	2,601	2,514	-	-	2,514
Financial Liabilities								
At Amortized Cost								
Trade Payables	8,966	-	-	8,966	1,630	-	-	1,630
Other Financial Liabilities	1,000	-	-	1,000	1,227	-	-	1,227

*The financial instruments are categorized into three levels based on the inputs used to arrive at fair value measurements as
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; and
Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or
Level 3: Inputs based on unobservable market data.

Valuation Methodology

All financial Instruments are initially recognised and subsequently re-measured at fair value as described below:

- The fair value of investments in quoted Equity Shares, Bonds and Mutual Funds is measured at quoted price or NAV.
- All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

38 Financial Risk Management

The Company's activities expose it to liquidity risk and credit risk. This note explains the sources of risks which the entity is exposed to and how it mitigates that risk.

a) Liquidity Risk

The entity manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company's principal sources of liquidity are cash & bank balances, credit facilities and cash generated from operations.

b) Credit Risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from receivables from customers, deposits with banks, foreign exchange transactions and other financial instrument. Credit risk is managed through credit approvals, monitoring the creditworthiness and establishing credit limits of customers to which it grants credit terms in the normal course of business. The entity establishes an allowance for doubtful debts and impairment that represents its estimate of expected losses in respect of trade and other receivables and investments.

c) Currency Risk

The entity is subject to the risk that changes in foreign currency values impact the Company's exports revenue and imports. As at 31st March, 2024, the unhedged exposure to the Company on financial assets (trade receivables) and liabilities (trade payables) other than in their functional currency amounted to INR 1,78,89,300 and INR 0 respectively. (31st March, 2023: NIL).

The Company monitors and manages its financial risks by analysing its foreign exchange exposures. The Company, in accordance with its Board approved risk management policies and procedures, enters into foreign exchange forward contracts to manage its exposure in foreign exchange rates.



39 Details of Benami Property held

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

40 Disclosure of quarterly returns filed with the banks:

The quarterly returns or statements filed by the company with banks or financial institutions are in agreement with the books of accounts.

41 Wilful Defaulter

The Company has not been declared as wilful defaulter by any bank or financial institutions or other lenders.

42 Relation with the struck off companies

Based on the information available with the Company, the Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

43 Registration of charges or satisfaction with the ROC

The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies ('ROC') beyond the statutory period.

44 Compliance with number of layers of companies

The company is in compliance 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.

45 Details in respect of utilisation of borrowed funds and share premium shall be provided in respect of:

The Company has not advanced or loaned 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.

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

46 Compliance with approved scheme of arrangements

The Company has not entered into any scheme of arrangements.

47 Undisclosed Income

The Company has no undisclosed income that has been surrendered or disclosed as income during the year in the tax assessment under the Income tax Act, 1961.

48 Details of Loans Given, Investments Made, Guarantees given and Securities provided during the year covered under Section 186 (4) of the Companies Act, 2013

The Company has not given any loans, guarantees, securities or made any investments during the year within the meaning of section 186(4) of the Companies Act, 2013.



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(Amount expressed in ₹ (in Lakhs) unless otherwise stated)

49 Ratio Analysis

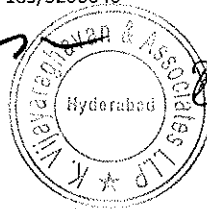
Particulars	Numerator	Denominator	31-Mar-2024	31-Mar-2023	Variance	Reasons
(a) Current Ratio	Current Assets	Current Liabilities	0.73	0.71	3.42%	-
(b) Debt-Equity Ratio	Total Debt	Shareholder's funds	-13.42	0.00	-	-
(c) Debt Service Coverage Ratio	EBITDA	Principal + Interest	0.12	0.00	-	-
(d) Return on Equity Ratio	Profit after Tax	Shareholder's funds	0.69	-0.09	-897.52%	After commercialization in the PY year, this is the first full operational year impacting the company's earnings.
(e) Inventory turnover Ratio	Cost of Goods Sold	Average Inventory	13.11	17.94	-26.90%	-
(f) Trade Receivables Turnover Ratio	Credit Sales	Average Trade Receivables	1.54	12.72	-87.92%	The decrease is due to poor collectibility from its receivables.
(g) Trade payables turnover Ratio	Credit Purchases	Average Trade Payables	2.65	2.51	5.95%	The increase is due to company managing its payables efficiently.
(h) Net capital turnover Ratio	Sales	Working Capital	-5.08	-1.10	360.71%	After commercialization in the PY year, this is the first full operational year impacting the company's earnings.
(i) Net profit Ratio	Net Profit after tax	Sales	-0.07	-0.46	-85.02%	After commercialization in the PY year, this is the first full operational year impacting the company's earnings.
(j) Return on Capital employed	EBIT	Shareholder's funds + Long term Liabilities	0.03	0.00	-1494.97%	After commercialization in the PY year, this is the first full operational year impacting the company's earnings.
(k) Return on investment	EBIT	Shareholder's Funds (including CCD)	0.11	-0.01	-1650.39%	After commercialization in the PY year, this is the first full operational year impacting the company's earnings.

As per our Report of even date

For **K Vijayaraghavan & Associates LLP**
Chartered Accountants
Firm Registration No.: 0047185/S200040

For and on behalf of the Board of Directors of
NACL Spec Chem Limited

K. Ragunathan
Partner
Membership No.: 213723
Place: Hyderabad
Date: 22 May 2024
UDIN : 24213723BKDIFS1074



Harish C. Bijlwan
Director
DIN: 03149388
Place: Hyderabad
Date: 22 May 2024

Amit Taparia
Director
DIN: 06973894
Place: Hyderabad
Date: 22 May 2024

