

**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, 2023, 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 31<sup>st</sup> March, 2023, 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. 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 Balance Sheet, the 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 31<sup>st</sup> March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting 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.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position in its standalone financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

(c) The Company has not declared or paid any dividend during the year in accordance with Section 123 of the Companies Act, 2013.

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


**K. Rangunathan**  
Partner  
Membership No. 213723  
UDIN: 23213723BGXBIG9861

Place: Hyderabad  
Date: 17-05-2023

## **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)
    - A. 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.
    - B. 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) 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 31<sup>st</sup> March, 2023 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. 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 of 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 31<sup>st</sup> March 2023 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 wilful 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. Based on the size and business activity, the Company does not have any requirement for an internal audit system. Accordingly, clause 3(xiv)(a) and clause 3(xiv)(b) of the Order is not applicable.

xv. In our opinion, the Company has not entered 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.

- (d) In our opinion, there is no Core Investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has incurred INR 676.68 Lakhs in cash losses during the financial year end and INR 5.568 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. Rangunathan  
Partner  
Membership No. 213723  
UDIN: 23213723BGXBIG9861

Place: Hyderabad  
Date: 17-05-2023

## **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 31<sup>st</sup> March 2023 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 31<sup>st</sup> March, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

  
**K. Ragunathan**

Partner  
Membership No. 213723  
UDIN: 23213723BGXBIG9861



Place: Hyderabad  
Date:17-05-2023

NACL Spec-Chem Limited

CIN: U24290TG2020PLC140201

Standalone Balance Sheet as at

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

Particulars		Notes	31-Mar-2023	31-Mar-2022
<b>Assets</b>				
<b>Non-Current Assets</b>				
(a)	Property, Plant and Equipment	5	16,164.58	27.03
(b)	Capital Work in Progress	6	3,108.63	9,500.72
(c)	Right of use assets	7	2,839.29	2,869.76
(d)	Financial Assets		-	-
	(i) Other Financial Assets	9	174.63	3.50
(e)	Deferred Tax Assets	10	143.32	-
(f)	Other Non-Current Assets	11	0.001	865.65
<b>Total - Non-Current Assets (A)</b>			<b>22,430.45</b>	<b>13,266.66</b>
<b>Current Assets</b>				
(a)	Inventories	12	682.61	-
(b)	Financial Assets			
	(i) Trade receivables	8	255.00	-
	(ii) Cash and cash equivalents	13	128.62	2,489.75
(c)	Current Tax Assets (Net)	14	7.11	2.08
(d)	Other Current assets	15	2,515.13	1,162.24
<b>Total Current Assets (B)</b>			<b>3,588.47</b>	<b>3,654.07</b>
<b>Total Assets (A+B)</b>			<b>26,018.92</b>	<b>16,920.72</b>
<b>Equity And Liabilities</b>				
<b>Equity</b>				
(a)	Equity Share Capital	16	200.00	200.00
(b)	Other Equity	17	(762.77)	200.57
<b>Total Equity (C)</b>			<b>(562.77)</b>	<b>400.57</b>
<b>Liabilities</b>				
<b>Non Current Liabilities</b>				
(a)	Financial Liabilities			
	(i) Borrowings	18	19,237.83	13,147.05
	(ii) Other Financial Liabilities	20	2,275.66	1,818.95
(b)	Provisions	21	10.63	-
<b>Total Non-Current Liabilities (D)</b>			<b>21,524.12</b>	<b>14,966.00</b>



2023



<b>Current Liabilities</b>			
(a)	Financial Liabilities		
	(i) Borrowing	18	2,118.37
	(ii) Trade Payables	19	
	(A) total outstanding dues of micro enterprises and small enterprises; and		1,344.56
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises		285.52
	(iii) Other Financial Liabilities	20	1,226.12
(b)	Other current liabilities	22	18.53
(c)	Provisions	21	64.47
	<b>Total Current Liabilities (E)</b>		<b>5,057.57</b>
	<b>Total Equity and Liabilities (C+D+E)</b>		<b>16,920.72</b>
	Summary of Significant Accounting Policies	4	
	The accompanying notes are an integral part of the standalone financial statements.	5-45	

As per our Report of even date

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

**K. Ragunathan**  
Partner  
Membership No.: 213723  
Place: Hyderabad  
Date: 17-05-2023



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

**Harish C. Bijlwan**      **Amit Taparia**  
Director                      Director  
DIN: 03149388          DIN: 06973894  
Place: Hyderabad      Place: Hyderabad  
Date: 17-05-2023      Date: 17-05-2023



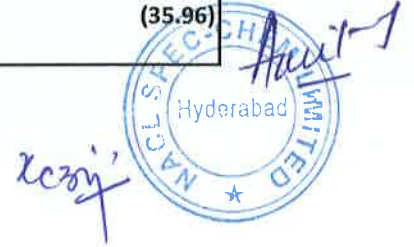
NACL Spec-Chem Limited

CIN: U24290TG2020PLC140201

Standalone Statement of Profit or loss for the year ended

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

Particulars	Notes	31-Mar-2023	31-Mar-2022
<b>Continuing Operations</b>			
Revenue from Operations	23	1,621.99	-
Other Income	24	459.56	308.52
<b>Total Income [I]</b>		<b>2,081.55</b>	<b>308.52</b>
<b>Expenses</b>			
Cost of Material Consumed	25	1,681.23	-
Purchases of Stock in trade		-	-
Changes in inventories of Finished Goods, Stock-In-Trade and Work-In-Progress	26	(273.99)	-
Employee Benefit Expenses	27	183.89	0.02
Finance Costs	28	850.98	337.69
Depreciation and Amortization Expense	29	220.24	0.81
Other Expenses	30	314.22	5.94
<b>Total Expenses [II]</b>		<b>2,976.58</b>	<b>344.47</b>
<b>Profit/(Loss) before exceptional items and tax from Continuing operations [I-II]</b>		<b>(895.04)</b>	<b>(35.96)</b>
Exceptional Items			
<b>Profit/(Loss) before tax from Continuing operations</b>		<b>(895.04)</b>	<b>(35.96)</b>
<b>Tax Expenses</b>			
Prior Period Tax	31	1.89	-
Current Tax		-	-
Deferred tax	31	(143.32)	-
<b>Total Tax Expenses</b>		<b>(141.43)</b>	<b>-</b>
<b>Profit/(Loss) for the year from Continuing Operations [III]</b>		<b>(753.61)</b>	<b>(35.96)</b>



<b>Discontinued operations</b>			
Profit/(Loss) before tax from Discontinued Operations		-	-
Tax Expense from Discountinued Operations		-	-
<b>Profit/(Loss) for the year from Discontinued Operations[IV]</b>		-	-
<b>Profit/(Loss) for the year [V=III+IV]</b>		<b>(753.61)</b>	<b>(35.96)</b>
<b>Other Comprehensive Income</b>			
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		-	-
<b>Other Comprehensive Income for the year [VI]</b>		-	-
<b>Total Comprehensive Income for the year [V+VI]</b>		<b>(753.61)</b>	<b>(35.96)</b>
<b>Earnings per equity share of face value of ₹ 10 each</b>			
Basic - Continuing operations (in ₹)	32	(3.77)	(0.18)
Diluted - Continuing operations (in ₹)	32	(3.77)	(0.18)
Basic - Discontinued operations (in ₹)	32		
Diluted - Discontinued operations (in ₹)	32		
Basic - Continuing & Discontinued operations (in ₹)	32	(3.77)	(0.18)
Diluted - Continuing & Discontinued operations (in ₹)	32	(3.77)	(0.18)
Summary of Significant Accounting Policies	4		

The accompanying Notes are an integral part of the Standalone Financial Statements

As per our Report of even date

For **K Vijayaraghavan & Associates LLP**

Chartered Accountants

Firm Registration No.: 0047185/S200040

**K. Ragnathan**

Partner

Membership No.: 213723

Place: Hyderabad

Date: 17-05-2023



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

**Harish C. Bijlwan**

Director

DIN: 03149388

Place: Hyderabad

Date: 17-05-2023

**Ami Tapania**

Director

DIN: 06973894

Place: Hyderabad

Date: 17-05-2023



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-2023	31-Mar-2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before Tax	(895.04)	(35.96)
<b>Adjustments For:</b>		
Depreciation & Amortization expenses	243.20	0.81
Finance Cost	850.98	29.57
Other Income (Notional)	(459.56)	
Adjustment for Corporate Guarantee	(209.74)	
Provisions	74.11	-
<b>Operating Profit before Working Capital Changes</b>	<b>(396.05)</b>	<b>(5.57)</b>
<b>Changes in Working Capital:</b>		
Adjustments for (increase)/decrease in operating assets:		
Trade Receivables	(255.00)	-
Financial Assets	(171.13)	(3.50)
Other current assets	(1,352.89)	(1,064.40)
Right to Use Assets	-	30.47
Other Non Current Assets	865.64	(643.41)
Inventories	(682.61)	
Adjustments for increase/(decrease) in operating liabilities:		
Trade Payables	1,630.08	-
Other current liabilities	8.62	5.36
Other Finance Liabilities	139.59	2,094.80
Current Tax Assets	(5.03)	(2.08)
<b>Cash Generated from Operations</b>	<b>(218.77)</b>	<b>411.68</b>
Taxes Paid (Net)	(1.89)	
<b>Net Cash from/(used in) Operating Activities</b>	<b>(220.66)</b>	<b>411.68</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(16,350.28)	(27.73)
Capital Work In Progress	6,392.08	(9,402.86)
<b>Net Cash from/(used in) Investing Activities</b>	<b>(9,958.19)</b>	<b>(9,430.59)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance Cost	(391.43)	-
Short Term Borrowings	2,118.37	-
Long-term borrowings	6,090.77	11,367.90
<b>Net Cash from/(used in) Financing Activities</b>	<b>7,817.72</b>	<b>11,367.90</b>
Cash and Cash Equivalents at the Beginning of the Year	<b>2,489.75</b>	<b>140.76</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents</b>	<b>(2,361.13)</b>	<b>2,348.99</b>
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>128.62</b>	<b>2,489.75</b>
(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

**K. Ragnathan**  
Partner  
Membership No.: 213723  
Hyderabad, India  
Date: 17-05-2023



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

**Harish C. Bijlwan** **Amit Tapařia**  
Director Director  
DIN: 03149388 DIN: 06973894  
Place: Hyderabad Place: Hyderabad  
Date: 17-05-2023 Date: 17-05-2023



NACL Spec-Chem Limited

CIN: U24290TG2020PLC140201

Standalone Statement of Cash Flow for the year ended

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

Standalone Statement of Changes in Equity

A Equity Share Capital

1 As at April, 2023

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
2,00,000	-	-	-	2,00,000

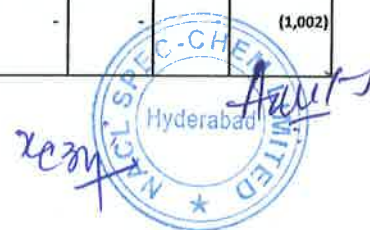
2 As at April, 2022

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
2,00,000	-	-	-	2,00,000

B Other Equity

1 Current Reporting Period

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Items of other comprehensive income						Total		
			Capital Reserve	Securities Premium	Other Reserves	Retained Earnings	Debt Instrument through Other Comprehensive Income	Equity Instrument through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other Components (Specify nature)		Money Received against share warrants	
Balance at the beginning of the current reporting period	-	-	-	-	-	(39)	-	-	-	-	-	-	-	-	(39)
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	-	-	-	-	-	(754)	-	-	-	-	-	-	-	-	(754)
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change (Adjustment for Corporate Guarantee)	-	-	-	-	-	(210)	-	-	-	-	-	-	-	-	(210)
Balance at the end of the current reporting period	-	-	-	-	-	(1,002)	-	-	-	-	-	-	-	-	(1,002)



1. Previous Reporting Period

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Items of other comprehensive income						Total	
			Capital Reserve	Securities Premium	Other Reserves	Retained Earnings	Debt Instrument through Other Comprehensive Income	Equity Instrument through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation on Surplus	Exchange differences on translating the financial statements of a foreign operation	Other Components (Specify nature)		Money Received against share warrants
Balance at the beginning of the previous reporting period	-	-	-	-	-	(2.79)	-	-	-	-	-	-	-	(2.79)
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	-	-	-	-	-	(35.96)	-	-	-	-	-	-	-	(35.96)
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the previous reporting period	-	-	-	-	-	(38.74)	-	-	-	-	-	-	-	(38.74)

Note: Remeasurement of defined benefit plans and fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss shall be recognized as a part of retained earnings with separate disclosure of such items along with the relevant amounts in the notes or shall be shown as a separate column under Reserves & Surplus



For NACL SPEC-CHEM LIMITED

For NACL SPEC-CHEM LIMITED

*Ranjith*  
Director

*Amit Japane*  
Director

**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 Nagarjuna Agro Chemicals group, 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.

### **2 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.

### **3 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 (00000), upto 2 decimal places except as 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.

### **4 Significant Accounting Policies**

#### **(a) Use of estimates and judgments**

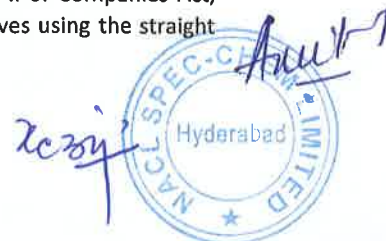
The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of these 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) Intangible Assets**

Intangible Assets, if any, 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.

**(e) 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.

**(f) Financial Assets**

All financial assets are recognised initially at fair value. However, 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. 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.



## **(g) Impairment**

### **(g.1) Impairment of Financial Assets**

All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price

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

### **(g.2) Impairment of Non-Financial 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.

### **(h) 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.

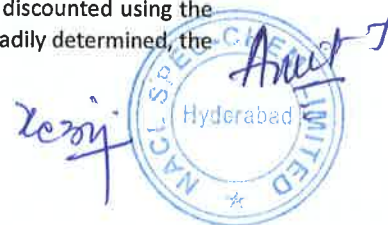
### **(i) Leases**

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
- 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.

#### **(j) Government Grants**

Government Grants, if any 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.

#### **(k) Research and Development Expenditure**

Revenue expenditure pertaining to research, if any is charged to the Statement of Profit and Loss as and when Development costs are capitalised as an intangible asset if it can be demonstrated that the project is 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.

#### **(l) Borrowing costs**

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

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.

#### **(m) 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 GST.

#### **(n) 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.

**(o) 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.

**(p) 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.

**(q) 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) 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.

**(ii) 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.

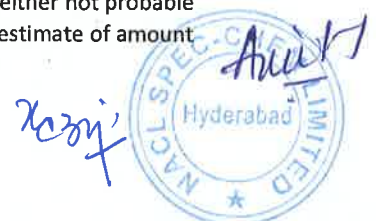
Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to 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.

**(r) 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.

**(s) 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.

#### **(t) 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, if any 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.

#### **(u) 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.

#### **(v) 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**

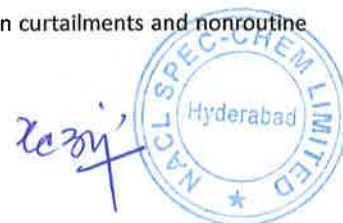
For defined benefit plans the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included 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
- Net interest expense or income.



**(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.

**(w) 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, if any, 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.

**(x) 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.

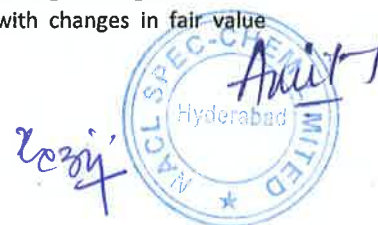
Operating Segment is identified based on the nature of products and services, the different risks and returns, and the internal business reporting system.

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.

**(y) 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.



NACL Spec-Chem Limited

CIN: U24290TG2020PLC140201

Notes Forming Part of Financial Statements

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

5 Property, Plant & Equipment	Buildings	Plants & Equipments	Computers	Furniture & Fixtures	Office Equipment	Total
<b>Cost/Deemed cost</b>						
At 31 March 2022	-	4.65	4.84	15.61	2.76	27.85
Additions	6,838.94	9,328.70	24.43	85.74	72.48	16,350.28
Deletions	-	-	-	-	-	-
At 31 March 2023	6,838.94	9,333.35	29.26	101.34	75.24	16,378.13
<b>Depreciation and impairment</b>						
At 31 March 2022	-	0.07	0.24	0.39	0.13	0.82
Depreciation charge for the year	66.81	133.57	3.75	4.11	4.50	212.73
Disposals	-	-	-	-	-	-
At 31 March 2023	66.81	133.64	3.99	4.50	4.62	213.55
<b>Net book value</b>						
At 31 March 2023	6,772.13	9,199.71	25.27	96.84	70.62	16,164.58
At 31 March 2022	-	4.58	4.60	15.22	2.63	27.03

**Disclosure of revaluation of Assets:**

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

6 Capital Work in Progress	31-Mar-2023	31-Mar-2022
Opening Capital Work in Progress	9,500.72	97.86
Additions	9,924.51	9,402.86
Transfer to PPE	(16,316.60)	-
<b>Closing Capital Work in Progress</b>	<b>3,108.63</b>	<b>9,500.72</b>

**Note 6.1. CWIP Ageing Schedule**

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	959.07	2,149.56	-	-	3,108.63
Project Temporarily Suspended	-	-	-	-	-



## 7 Leases

Except as specified below, the company has consistently applied the accounting policies to all periods presented in this financial statement. The company has applied Ind AS 116 with the date of initial application of 1st April, 2020. As a result, the company has changed its accounting policy for lease contracts as detailed below.

The company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1st April, 2020.

Particulars	Amount
Lease commitments as at 31st March, 2022	-
Add/(less): contracts reassessed as lease contracts	-
Add/(less): adjustments on account of extension/termination	-
<b>Lease liabilities as on 1 April 2023</b>	-
Current lease liability	-
Non current lease liabilities	-

### As Lessee

#### (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	Class 1	Total
Balance at 1 April 2022	2,869.76	2,869.76
Depreciation charge for the year	7.51	7.51
Capitalised During the Year	22.95	22.95
Balance at 31 March 2023	2,839.29	2,839.29

#### (C) Maturity analysis of lease liabilities

There is no outstanding lease liability.

#### (D) Amounts recognised in Statement of Profit & Loss

Particulars	31-Mar-2023	31-Mar-2022
Interest on lease liabilities	-	-
Variable lease payments not included in the measurement of lease liabilities	-	-
Income from sub-leasing right-of-use assets	-	-
Expenses relating to short-term leases	-	-
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	-	-

#### (E) Amounts recognised in the statement of cash flows

Particulars	31-Mar-2023	31-Mar-2022
Total cash outflow for leases	-	-



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NACL Spec-Chem Limited  
CIN: U24290TG2020PLC140201  
Notes Forming Part of Financial Statements  
(Amount expressed in ₹ (in Lakhs) except Note 16)

8	Trade Receivables	31-Mar-2023		31-Mar-2022	
		Non-current	Current	Non-current	Current
	Unsecured	-	-	-	-
	— From Related Parties	-	158.628	-	-
	— From Others	-	96.37	-	-
	Less: Allowance for doubtful debts	-	-	-	-
	<b>Total Trade Receivables</b>	-	<b>255.00</b>	-	-

**Note 8.1**

Particulars	Outstanding for following periods from due date of payment						Total
	No Due	Less than 6 months	6 months - 1 year	1 year - 2 years	2 years - 3 years	More than 3 years	
<b>As at 31 March 2023:</b>							
(i) Undisputed - Considered good	255.00	-	-	-	-	-	255.00
(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.	-	-	-	-	-	-	-
<b>Total</b>	<b>255.00</b>	-	-	-	-	-	<b>255.00</b>

9 Other Financial Asset	31-Mar-2023		31-Mar-2022	
	Non-current	Current	Non-current	Current
Particulars				
Deposits	174.63	-	3.50	-
<b>Total</b>	<b>174.63</b>	-	<b>3.50</b>	-

10 Deffered Tax Asset	31-Mar-2023	31-Mar-2022
(a) Deffered Tax Asset		
On account of		
Depreciation	(184.81)	
Provison for Employee Benefits	2.48	
Others	325.64	
<b>Total</b>	<b>143.32</b>	-

11 Other Non-Current Assets	31-Mar-2023	31-Mar-2022
Advances for Capital Goods	0.001	655.91
Corporate Guarantee	-	209.74
<b>Total</b>	<b>0.001</b>	<b>865.65</b>



12 Inventories	31-Mar-2023	31-Mar-2022
Raw Materials	361.12	-
Packing Materials	21.55	-
Work-in-progress	69.14	-
Finished Goods	204.85	-
Stores & Spares	2.64	-
Fuel	23.31	-
<b>Total</b>	<b>682.61</b>	<b>-</b>

**Note 12.1:** There have been no goods in transit as on 31st March 2023 and 31st March 2022.

13 Cash and Bank Balances	31-Mar-2023	31-Mar-2022
Balances with banks		
In current accounts	128.62	2,489.75
<b>Total</b>	<b>128.62</b>	<b>2,489.75</b>

14 Current Tax Assets	31-Mar-2023	31-Mar-2022
TDS & TCS Receivable	7.11	2.08
<b>Total</b>	<b>7.11</b>	<b>2.08</b>

15 Other Current Assets	31-Mar-2023	31-Mar-2022
Advances other than capital advances		
— Other Advances	0.70	-
Balance with customs, central excise etc.,	2,470.59	1,162.24
Prepaid Expense	43.84	-
<b>Total</b>	<b>2,515.13</b>	<b>1,162.24</b>

16 Share Capital	31-Mar-2023	31-Mar-2022
<b>Authorized:</b>		
CY 2,00,00,000 Equity Shares of Rs.1/- each (PY 2,00,00,000 Equity Shares of Rs.1/- each)	2,00,00,000.00	2,00,00,000.00
<b>Issued and Subscribed and Paid Up :</b>		
CY 2,00,00,000 Equity Shares of Rs.1/- each (PY 2,00,00,000 Equity Shares of Rs.1/- each)	2,00,00,000.00	2,00,00,000.00
<b>Total</b>	<b>2,00,00,000.00</b>	<b>2,00,00,000.00</b>

**Note 16.1: Reconciliation of number of Ordinary (Equity) Shares and amount outstanding :**

Particulars	31-Mar-2023		31-Mar-2022	
	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	200.00
Add : Issued during the year for cash	-	-	-	-
Balance as at the end of the year	<b>2,00,00,000</b>	<b>200.00</b>	<b>2,00,00,000</b>	<b>200.00</b>

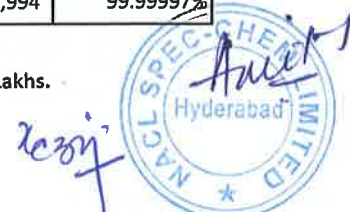
**Note 16.2: Rights, preferences and restrictions attached to equity shares**

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 16.3: Details of Equity Shares held by shareholders including the holding company:**

Name of the Shareholder	31-Mar-2023		31-Mar-2022	
	No. of Shares	% Shareholding	No. of Shares	% Shareholding
NACL Industries Limited (Holding Company)	1,99,99,994	99.99997%	1,99,99,994	99.99997%

**Note 16.4:** Please note that the no.of shares mentioned in the above disclosures of this note are not in Lakhs.



17 Other Equity	31-Mar-2023	31-Mar-2022
<b>Deemed Capital Contribution</b>		
Opening	239.31	-
Add:	-	239.31
<b>Closing</b>	<b>239.31</b>	<b>239.31</b>
<b>Retained Earnings*</b>		
Opening Balance	(38.74)	(2.79)
Adjustment for Corporate Guarantee	(209.74)	-
Net Profit /(Loss) for the year as per the Statement of Profit and Loss	(753.61)	(35.96)
<b>Net Surplus in the Statement of Profit and Loss</b>	<b>(1,002.08)</b>	<b>(38.74)</b>
<b>Total</b>	<b>(762.77)</b>	<b>200.57</b>

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

18 Borrowings	31-Mar-2023		31-Mar-2022	
	Non-Current	Current	Non - current	Current
<b>Unsecured:</b>				
Compulsory Convertible Debentures	7,024.34	-	4,681.05	-
<b>Term Loans:</b>				
Current Maturities of Long Term Borrowings	-	924.12	-	-
Banks	12,213.49	1,194.25	8,466.00	-
<b>Total</b>	<b>19,237.83</b>	<b>2,118.37</b>	<b>13,147.05</b>	<b>-</b>

**Note 18.1:**

Disclosure regarding the terms of the loan:

Particulars	Remarks
Nature and details of the Security given	Secured by: first ranking pari-passu charge on present and future fixed assets of the Company, second ranking pari-passu charge on present and future stock and book debts of the company and corporate guarantee from NACL Industries Limited, Holding Company.
Date of sanction of loan	Axis Bank Limited
Period of loan	05 years, ending on 2028
Purpose for which loan was obtained	Setting up of Factory at Dahej.
Interest % and payment basis	Interest 10.35% p.a. (2022: 8.25% p.a.) (linked to 3 months Repo plus 4.25% p.a.
Repayment details	Refer Note 18.2
No. of installments	22 quarterly instalments after moratorium period of 18 month
Period and amount of default	Repayable over next 5 years
Details of loans guaranteed by Directors	NACL Industries Limited, Holding Company.

Particulars	Remarks
Nature and details of the Security given	Secured by: first ranking pari-passu charge on present and future fixed assets of the Company, second ranking pari-passu charge on present and future stock and book debts of the company and corporate guarantee from NACL Industries Limited, Holding Company.
Date of sanction of loan	Setting up of Factory at Dahej
Period of loan	05 years, ending on 2028
Purpose for which loan was obtained	Corporate purpose
Interest % and payment basis	Interest 10.35% p.a. (2022: 8.25% p.a.) (linked to 3 months Repo plus 4.25% p.a.
Repayment details	Refer Note 18.2
No. of installments	22 quarterly instalments after moratorium period of 18 month
Period and amount of default	Repayable over next 5 years
Details of loans guaranteed by Directors	NACL Industries Limited, Holding Company.



**Note 18.2:**  
Repayment Details (% of Principal)

Financial Year Ended	Axis Bank Limited	HDFC Bank Limited
FY 22-23	2.50%	2.50%
FY 23-24	5.00%	7.50%
FY 24-25	10.00%	10.00%
FY 25-26	25.00%	25.00%
FY 26-27	27.50%	25.00%
FY 27-28	30.00%	30.00%

**Note 18.3:**  
Debentures have been issued under the following terms

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

	5	6	7	8
Certificate No	500	500	500	1000
No of Debentures	02-09-2021	17-12-2021	11-03-2022	21-03-2022
Date of Issue	0.01%	0.01%	0.01%	0.01%
Interest	500.00	500.00	500.00	1,000.00
Face Value (in RS)	8.25%	8.25%	8.25%	8.25%
Term loan borrowing rate				

	9	10	11	12
Certificate No	500	500	500	500
No of Debentures	27-07-2022	25-08-2022	20-09-2022	12-10-2022
Date of Issue	0.01%	0.01%	0.01%	0.01%
Interest	500.00	500.00	500.00	500.00
Face Value (in RS)	8.25%	8.25%	8.25%	8.25%
Term loan borrowing rate				

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

**Note 18.4:**  
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

**Note 18.5:**  
Loans repayable on demand from banks (includes Cash Credit Facilities and buyers credit availed under non fund based limits) from Axis Bank Limited 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 NAEL Industries Limited, Holding Company. Rate of interest on Rupee loans repayable on demand is 9.70% p.a.



2020

**Note 18.6:**

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.

19 Trade Payables	31-Mar-2023	31-Mar-2022
<b>Non Current :</b>		
(a) Total outstanding dues of micro enterprises and smaller enterprises	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
<b>Sub-Total</b>	-	-
<b>Current :</b>		
(a) Total outstanding dues of micro enterprises and small	1,344.56	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	285.52	-
<b>Sub-Total</b>	1,630.08	-
<b>Total</b>	<b>1,630.08</b>	-

**Note 19.1**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2 years-3 years	More than 3 years	Total
<b>As at 31st March</b>					
(i) MSME	1,344.56	-	-	-	1,344.56
(ii) Others	285.52	-	-	-	285.52
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-
<b>Total</b>	<b>1,630.08</b>	-	-	-	<b>1,630.08</b>

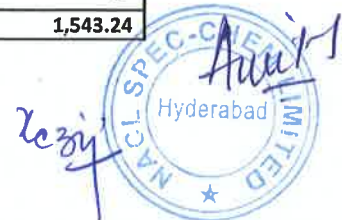
**Disclosures relating to Micro, Small and Medium enterprises**

This information has been determined to the extent such parties have been identified on the basis of information available with

Particulars	31-Mar-2023	31-Mar-2022
1. Principal amount due to suppliers registered under the MSMED Act and remaining unpaid	1,344.56	-
2. Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
3. Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
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	-	-
7. Further interest remaining due and payable for earlier years	-	-

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.

20 Other Financial Liabilities	Non-Current		Current	
	31-Mar-2023	31-Mar-2022	31-Mar-2023	31-Mar-2022
(a) Interest Accrued but not due	-	-	86.55	57.41
(b) Payable for Capital Goods	-	-	1,139.57	1,485.83
(c) Compulsory Convertible Debentures (Derivative)	2,275.66	1,818.95	-	-
<b>Total</b>	<b>2,275.66</b>	<b>1,818.95</b>	<b>1,226.12</b>	<b>1,543.24</b>



21 Provisions	31-Mar-2023		31-Mar-2022		
	Particulars	Non- current	Current	Non- current	Current
(a) Provision for employee benefits					
(i) Provision for Leave Encashment		5.06	1.31	-	-
(ii) Provision for Gratuity		5.57	0.03	-	-
(iii) Provision for Bonus		-	2.47	-	-
(b) Others:					
(i) Expenses		-	60.66	-	1.00
<b>Total</b>		<b>10.63</b>	<b>64.47</b>	<b>-</b>	<b>1.00</b>

22 Other Liabilities	31-Mar-2023		31-Mar-2022		
	Particulars	Non - current	Current	Non - current	Current
(a) Advance received from customers		-	0.42	-	-
(b) Other payables		-	-	-	-
(i) Statutory due payable		-	18.10	-	9.91
(ii) Others		-	-	-	-
<b>Total</b>		<b>-</b>	<b>18.53</b>	<b>-</b>	<b>9.91</b>

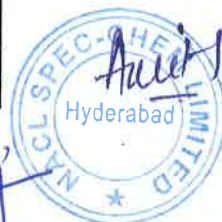
23 Revenue From Operations	31-Mar-2023	31-Mar-2022
<b>A Revenue from Sale of Products</b>		
a. Manufactured goods	1,589.83	-
	<b>1,589.83</b>	<b>-</b>
<b>B Other operating revenues</b>		
a. Others - Scrap and Other Sales	32.16	-
	<b>32.16</b>	<b>-</b>
<b>Total (A+B)</b>	<b>1,621.99</b>	<b>-</b>

Note 23.1: Disaggregated revenue information	31-Mar-2023	31-Mar-2022
<b>Revenue from contracts with customers disaggregated based on geography</b>		
a. Domestic	1,589.83	-
<b>Total</b>	<b>1,589.83</b>	<b>-</b>

24 Other Income	31-Mar-2023	31-Mar-2022
Interest Income	-	0.01
Unwinding of discount on 0.01% cumulative convertible debentures	459.56	308.11
Other Income	-	0.40
<b>Total</b>	<b>459.56</b>	<b>308.52</b>

25 Cost Of Material Consumed	31-Mar-2023	31-Mar-2022
Raw materials consumed	1,681.23	-
<b>Total</b>	<b>1,681.23</b>	<b>-</b>

26 Changes in Inventories of Finished Goods, Work-in-Progress & Stock-in-Trade	31-Mar-2023	31-Mar-2022
<b>Opening Balance</b>		
Finished goods	-	-
Work-in-progress	-	-
Stock-in-trade	-	-
<b>Total Opening Balance</b>	<b>-</b>	<b>-</b>
<b>Closing Balance</b>		
Finished goods	204.85	-
Work-in-progress	69.14	-
Stock-in-trade	-	-
<b>Total Closing Balance</b>	<b>273.99</b>	<b>-</b>
<b>Total</b>	<b>(273.99)</b>	<b>-</b>



27 Employee Benefit Expenses	31-Mar-2023	31-Mar-2022
Salaries, Wages and bonus	130.61	-
Contribution to provident funds and other funds	15.00	-
Staff welfare expenses	38.28	0.02
<b>Total</b>	<b>183.89</b>	<b>0.02</b>

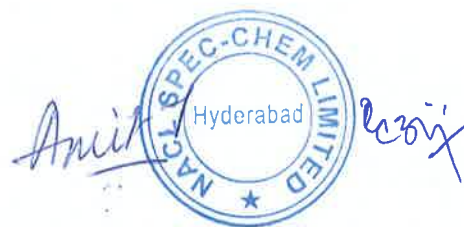
28 Finance Costs	31-Mar-2023	31-Mar-2022
Interest on Term Loan	293.57	-
Interest on Working Capital Loan	12.82	-
Notional Interest on Debenture	459.56	308.11
Bank Charges	0.33	0.01
Guarantee Commission	68.48	-
Other Finance Expense	16.23	29.57
<b>Total</b>	<b>850.98</b>	<b>337.69</b>

29 Depreciation & Amortisation Expenses	31-Mar-2023	31-Mar-2022
Depreciation of property, plant and equipment	212.73	0.81
Depreciation of right of use assets	30.47	30.47
Less : Depreciation and Amortization Capitalized during the Year	(22.95)	(30.47)
<b>Total</b>	<b>220.24</b>	<b>0.81</b>

30 Other Expenses	31-Mar-2023	31-Mar-2022
Auditor's Remuneration (refer Note 30.1)	5.00	1.00
Courier Charges	0.09	0.02
Insurance	14.01	-
Consumption of stores, spares and consumable	19.60	-
Professional and consultancy charges	13.72	-
Power and fuel	101.89	-
Printing and Stationery	1.82	1.64
Licences and Renewals	0.06	0.07
Lease Rentals	0.04	0.14
Repairs and maintenance	4.07	-
Internet & telephone charges	0.65	-
Travel and Conveyance	11.26	-
Security Charges	9.74	-
Statutory Expenses	1.44	0.55
Vehicle Hire Expenses	4.30	-
Subscriptions	-	0.53
Other manufacturing costs	113.44	-
Miscellaneous Expenses	13.10	1.99
<b>Total</b>	<b>314.22</b>	<b>5.94</b>

Note 30.1: Details of Payment to Auditors for (including taxes):	31-Mar-2023	31-Mar-2022
<b>As Auditor:</b>		
— Audit Fee	4.00	-
— Tax Audit	1.00	-

31 Tax Expenses	31-Mar-2023	31-Mar-2022
Current Income Tax		
(i) Income Tax Expense for earlier years	1.89	-
(ii) Income Tax Expense for current year	-	-
Deferred Income Tax (net)	(143.32)	-
<b>Total</b>	<b>(141.43)</b>	<b>-</b>



32 Earnings per Share	31-Mar-2023	31-Mar-2022
(a) Profit for the year (₹)	(753.61)	(35.96)
(b) Weighted average number of Equity Shares outstanding	200.00	200.00
(c) Effect of potential equity shares on Fully Compulsorily Convertible Preference Shares	-	-
(d) Weighted average number of Equity Shares in computing diluted earnings per share (b+c)	200.00	200.00
(e) Earnings per share on profit for the year (Face value ₹ 10 per share)		
- Basic [(a)/(b)]	(3.77)	(0.18)
- Diluted [(a)/(d)]	(3.77)	(0.18)

**Note 32.1:**

The incremental shares from assumed conversions are not included in calculating the diluted per-share amounts because the control number (loss from continuing operations attributable to ordinary equity holders) is negative (ie a loss, rather than profit).

**33 Related Party Disclosures**

**A) Names of related parties and description of relationship:**

Party Name	Relationship
<b>Details of Holding and Subsidiaries:</b>	
KLR Products Limited (KLRPL)	Parent of 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
<b>Details of Key Managerial Person:</b>	
Mr. Harish C. Bijlwan	Director
Mr. Amit Taparia	Director
Mr. Amit Tandon	Director upto 19/07/2022
Mr. Roshan Mammen	Director from 19/07/2022

**B) Transactions with related parties during the year:**

Nature of Transaction	Party Name	31-Mar-2023	31-Mar-2022
Purchases	NACL Industries Limited	344.16	-
Sales	NACL Industries Limited	3,811.42	-
Interest	NACL Industries Limited	1.29	-
Reimbursement of expenses	NACL Industries Limited	30.13	210.70
Rent	NACL Industries Limited	0.12	0.13
Corporate Guarantee Commission (CG Amount = 165 Crores)	NACL Industries Limited	68.48	-
Compulsory Convertible Debentures Issued to NACL Industries Limited	NACL Industries Limited	2,800.00	3,500.00
Share services, Other expenses	NACL Industries Limited	200.53	-

**C) Balances outstanding at the end of the year**

Particulars	Party Name	31-Mar-2023	31-Mar-2022
Trade Receivables	NACL Industries Limited	158.63	-
Trade Payable	NACL Industries Limited	-	-
Deemed Capital Contribution	NACL Industries Limited	299.27	239.54
Compulsorily Convertible Debentures	NACL Industries Limited	9,300.00	6,500.00
Corporate Guarantee Amount	NACL Industries Limited	16,500.00	8,466.00



D) Managerial Remuneration

Particulars	Party Name	31-Mar-2023	31-Mar-2022
Nil		-	-

E) Type of Borrower

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Nil	-	-

**34 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:

Disclosures Required By Indian Accounting Standard 19 - Employee Benefits	31-Mar-2023	31-Mar-2022
<b>a) Reconciliation for present value of obligations</b>		
Present value of obligations as at the beginning of Year	-	-
Interest Cost	-	-
Current Service Cost	5.28	-
Past Service Cost	0.32	-
Benefits paid	-	-
Actuarial loss/ (gain) on obligation	-	-
<b>Present value of obligations as at the end of year</b>	<b>5.60</b>	<b>-</b>

b) Reconciliation for Fair Value of Plan Assets	31-Mar-2023	31-Mar-2022
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	-	-
<b>Fair value of plan assets at the end of year</b>	<b>-</b>	<b>-</b>

c) Expenses Recognised in Statement of Profit & Loss	31-Mar-2023	31-Mar-2022
Current Service cost	5.28	-
Past Service Cost	0.32	-
Interest Cost	-	-
Expected return on plan assets	-	-
Net Actuarial loss/(Gain) recognised in the year	-	-
Adjustment to the Opening fund	-	-
<b>Expenses to be recognised in the Statement of Profit &amp; Loss</b>	<b>5.60</b>	<b>-</b>

d) Movement in Liability	31-Mar-2023	31-Mar-2022
Present value of obligations as at the end of year	5.60	-
Fair value of plan assets as at the end of the year	-	-
Funded status	5.60	-
<b>Movement in Liability</b>	<b>5.60</b>	<b>-</b>

e) Actuarial Assumptions	31-Mar-2023	31-Mar-2022
Discount Rate	7.50%	0.00%
Salary Escalation	6.00%	0.00%
Attrition rate	8.00%	0.00%
Mortality	100.00%	-



**35 Leave Encashment**

Disclosures Required By Indian Accounting Standard 19 - Employee Benefits	31-Mar-2023	31-Mar-2022
<b>a) Reconciliation for present value of obligations</b>		
Present value of obligations as at the beginning of Year	-	-
Interest Cost	6.37	-
Current Service Cost	-	-
Past Service Cost	-	-
Benefits paid	-	-
Actuarial loss/ (gain) on obligation	-	-
<b>Present value of obligations as at the end of year</b>	<b>6.37</b>	-

	31-Mar-2023	31-Mar-2022
<b>b) Reconciliation for Fair Value of Plan Assets</b>		
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	-	-

	31-Mar-2023	31-Mar-2022
<b>c) Expenses Recognised in Statement of Profit &amp; Loss</b>		
Current Service cost	6.37	-
Past Service Cost	-	-
Interest Cost	-	-
Expected return on plan assets	-	-
Net Actuarial loss/(Gain) recognised in the year	-	-
Adjustment to the Opening fund	-	-
Expenses to be recognised in the Statement of Profit & Loss	<b>6.37</b>	-

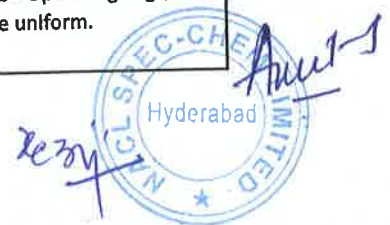
	31-Mar-2023	31-Mar-2022
<b>d) Movement in Liability</b>		
Present value of obligations as at the end of year	6.37	-
Fair value of plan assets as at the end of the year	-	-
Funded status	<b>6.37</b>	-
Movement in Liability	<b>6.37</b>	-

	31-Mar-2023	31-Mar-2022
<b>e) Actuarial Assumptions</b>		
Discount Rate	7.50%	0.00%
Salary Escalation	6.00%	0.00%
Attrition rate	8.00%	0.00%
Mortality	100.00%	0.00%

36 Disclosure of Foreign Currency Transactions	31-Mar-2023	31-Mar-2022
<b>Earnings in Foreign Exchange</b>		
Sale of Services	-	-
<b>Expenditure in foreign currency</b>		
Purchases	227.95	-
	<b>227.95</b>	-

**37 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.



**38 Contingent liabilities & Commitments:**

Particulars	31-Mar-2023	31-Mar-2022
<b>Contingent liabilities:</b>		
(a) Claims against the company not acknowledged as debt	-	-
(b) Guarantees excluding financial guarantees	-	-
(c) Other money for which the company is contingently liable	-	-
<b>Commitments:</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	289.41	-
(b) Uncalled liability on shares and other investments partly paid	-	-
(c) Other commitments (specify nature)	-	-
<b>Total</b>	<b>289.41</b>	<b>-</b>

**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 Wilful Defaulter**

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

**41 Relation with the stuck 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.

**42 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.

**43 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,

**44 Compliance with approved scheme of arrangements**

The Company has not entered into any scheme of arrangements.

**45 Undisclosed Income**

The Company does not have any transaction not recorded in the books of accounts- surrendered or disclosed as income during the year in tax assessments.



46 Ratio Analysis

Particulars	Numerator	Denominator	For March'23	For March'22	Variance	Reasons
(a) Current-Ratio	Current Assets	Current Liabilities	70.95%	235.12%	-69.82%	The decrease is primarily on account of decrease in Cash & Bank Balances and Increase in Short term Borrowings.
(b) Debt-Equity Ratio	Total Debt (Excluding CCD*)	Shareholder's funds (Including CCD*)	0.07%	0.04%	69.27%	The Increase is primarily on account of Increase in Borrowings and losses incurred post commercialisation of the factory.
(c) Debt Service Coverage Ratio	EBITDA	Principal + Interest (Excluding CCD*)	0.0010%	0.0009%	14.88%	NA
(d) Return on Equity	Profit after Tax	Shareholder's funds (Including CCD*)	-8.63%	-0.52%	1555.36%	The Increase in losses is primarily on account of losses incurred post commercialisation of the factory.
(e) Inventory turnover Ratio	Cost of Goods Sold	Average Inventory	1793.96%	0.00%	100.00%	Factory got commercialised in the third quarter of the current year
(f) Trade Receivables Turnover Ratio	Credit Sales	Average Trade Receivables	1272.13%	0.00%	100.00%	Factory got commercialised in the third quarter of the current year
(g) Trade payables turnover Ratio	Credit Purchases	Average Trade Payables	250.58%	0.00%	100.00%	Factory got commercialised in the third quarter of the current year
(h) Net capital turnover Ratio	Sales	Working Capital	-110.41%	0.00%	100.00%	Factory got commercialised in the third quarter of the current year
(i) Net profit Ratio	Net Profit after tax	Sales	-46.46%	0.00%	100.00%	Factory got commercialised in the third quarter of the current year
(j) Return on Capital employed	EBIT	Shareholder's funds + Long term Liabilities	-0.21%	1.96%	-110.70%	The decrease is on account of decrease in profits and Increase in Borrowings
(k) Return on investment	EBIT	Shareholder's funds (Including CCD*)	-0.68%	4.37%	-115.59%	The decrease is on account of losses incurred post commercialisation of the factory

\* CCDs issued in essence are functioning as equity due to its compulsorily convertible nature.

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

**K. Ragunathan**  
Partner  
Membership No.: 213723  
Place: Hyderabad  
Date: 17-05-2023



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

**Harish C. Bijman**, **Amit Taparla**  
Director Director  
DIN: 03149388 DIN: 06973894  
Place: Hyderabad Place: Hyderabad  
Date: 17-05-2023 Date: 17-05-2023

