

BALAJI PHOSPHATES LIMITED

CIN: U24123MP1996PLC067394

(Formerly known as BALAJI PHOSPHATES PRIVATE LIMITED -

CIN: U24123MP1996PTC067394)

REGD. OFFICE: 305 UTSAV AVENUE 12/5 USHA GANJ JAORA COMPOUND INDORE

G.P.O. INDORE MP 452001 IN

(Previously Situated At Shop No.6, Ayodhya Das Trade Center Vijay Chowk Gorakhpur UP 273001 IN)

EMAIL ID: balajiphosphate@gmail.com

CONTACT NO:8349990244

THE CERTIFIED TRUE COPY OF RESOLUTION PASSED IN THE MEETING OF AUDIT COMMITTEE OF BALAJI PHOSPHATES LIMITED HELD ON THURSDAY, 26TH DAY OF SEPTEMBER, 2024 AT 10:00 A.M. AT THE REGISTERED OFFICE SITUATED AT 305 UTSAV AVENUE 12/5 USHA GANJ JAORA COMPOUND INDORE G.P.O. INDORE MADHYA PRADESH 452001

ADOPTION OF KEY PERFORMANCE INDICATORS:-

The Audit Committee thereof will be required to undertake various activities for that purpose. The Committee reviewed various actions required to be taken and passed the following resolution unanimously.

“RESOLVED THAT the Committee has taken on record the Key Performance Indicators. There are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the two periods prior to the date of filing of this Draft Prospectus.

The list of our KPIs along with brief explanation of the relevance of the KPI for our business operations are set forth below:-

(₹ In Lakhs except percentages and ratios)

Key Performance Indicators	31-Mar-24	31-Mar-23	31-Mar-22
Revenue from Operations (1)	15,154.63	14,454.24	12,365.34
Growth in Revenue from Operations (%)	4.8%	16.9%	23.6%
Gross Profit (2)	4,296.71	4,336.63	3,205.67
Gross Profit Margin (%) (3)	28.4%	30.0%	25.9%
EBITDA (4)	1,209.70	1,167.20	792.35
EBITDA Margin (%) (5)	8.0%	8.1%	6.4%
PAT	604.05	608.76	319.08
Growth in Profit After Tax (%)	-0.8%	90.8%	43.0%
PAT Margin (%) (6)	4.0%	4.2%	2.6%
Trade Receivables Turnover Ratio (In times) (7)	4.96	4.75	4.21
Return on Net Worth (8)	17.26%	21.02%	13.96%
Trade Payables Turnover Ratio (In times) (9)	6.66	6.29	4.30
Trade Receivables days (10)	74	77	87

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Inventory days (11)	89	83	67
Trade Payable days (12)	55	58	85
Net worth (13)	3,500.32	2,896.51	2,286.35
Return on equity (%) (14)	18.89%	23.5%	15.0%
Return on capital employed (%) (15)	16.7%	19.8%	17.3%
Debt-Equity Ratio (times) (16)	0.95	0.91	0.87
Interest coverage ratio (17)	3.77	4.12	2.60
Working Capital Cycle (days) (18)	107	102	69
Current Ratio (times) (19)	1.65	1.43	1.38

Notes:

- (1) Revenue from operation means revenue from sale of the products
- (2) Gross Profit is calculated as Revenue from operations - Cost of Material Consumed - Purchases of stock-in-trade - Changes in inventories of finished goods, work in process and stock in trade
- (3) Gross Profit Margin is calculated as Gross profit divided by the Revenue from Operations
- (4) EBITDA is calculated as Profit before tax + Depreciation + Finance Costs-other income
- (5) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations
- (6) PAT Margin is calculated as PAT for the period/year divided by revenue from operations
- (7) Trade receivable turnover is calculated Revenue from operation divided by average trade receivables
- (8) Return on net worth is the profit after tax divided by closing equity
- (9) Trade Payable turnover ratio is calculated Net credit Purchase divided by average trade payable
- (10) Trade receivable days is calculated as 365 divided by trade receivables turnover by for fiscal years
- (11) Inventory days is calculated as 365 * Average inventory/ Cost of goods sold.
- (12) Trade payable days is calculated as 365 divided by Trade Payable turnover by for fiscal years
- (13) Net Worth is given by the formula Share Capital + Other Equity
- (14) Return on Equity is calculated by Profit for the year less Preference dividend (if any) divided by average total equity
- (15) Return on Capital Employed is calculated as follows: Profit before tax plus finance cost divided by (Net Worth plus Lease liabilities plus Deferred Tax Liabilities)
- (16) Debt to Equity ratio is calculated as Total Debt divided by equity
- (17) Interest Coverage Ratio is given by the formula Earnings before Tax + Interest divided by Interest cost
- (18) Working Capital Cycle is defined as trade receivable days plus inventory days less trade payable days
- (19) Current Ratio is calculated by dividing Current assets to Current Liabilities

Explanation for KPI metrics

Key Financial Performance	Explanation
Revenue from Operations	Revenue from Operations is used by the management to track the revenue profile of the business and in turn helps to assess the overall financial performance of the Company and volume of the business.

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Gross Profit	Gross Profit is a key metric used by management to evaluate core profitability by indicating the difference between revenue and the cost of goods sold. It helps assess the company's financial health and operational efficiency
Gross Profit Margin	Gross Profit Margin is a crucial metric used by management to assess the profitability of core operations. It indicates the percentage of revenue that exceeds the cost of goods sold, helping to evaluate pricing strategies and operational efficiency
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of the business
PAT	Profit after tax provides information regarding the overall profitability of the business
PAT Margin	PAT Margin (%) is an indicator of the overall profitability and financial performance of the Business
Profit after tax growth	Profit after tax growth provides information regarding the growth of the operational performance for the respective period
Trade Receivables Turnover Ratio	Trade receivables measures how frequently a company converts its accounts receivable into cash over a given period
Inventory Turnover Ratio	Inventory turnover ratio is the number of times a company has sold and replenished its inventory over a specific amount of time
Trade Payables Turnover Ratio	Trade Payable turnover measure the number of times the business is paying off its creditors or suppliers in an accounting period
Trade Receivables days	Trade Receivables days is the average number of days required for a company to receive payments from its customers
Inventory days	Inventory days is the average number of days required for a company to convert its inventory into Sales
Trade Payable days	Trade Payable days is the average number of days required for a company to pay its suppliers
Net Worth	Net Worth is a vital metric used by management to evaluate the company's financial strength. It represents the total value of assets minus liabilities, providing insight into the overall financial health and stability of the business.
Return on Equity	Return on equity provides how efficiently the Company generates profits from shareholders' funds
Return on Capital Employed	Return on capital employed provides how efficiently the Company generates earnings from the capital employed in the business
Debt-Equity Ratio	Debt / Equity Ratio is used to measure the financial leverage of the Company and provides comparison benchmark against peers
Interest Coverage ratio	Interest Coverage Ratio is an essential metric used by management to assess the company's ability to meet its interest obligations. It indicates how easily the company can pay interest on its outstanding debt from its operating earnings, helping evaluate financial stability and risk.

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Working Capital Cycle	Working Capital Cycle is the time it takes to convert net current assets and current liabilities into Cash
Current Ratio	The current ratio is a <u>liquidity ratio</u> that measures the company's ability to pay short-term obligations or those due within one year

"RESOLVED FURTHER THAT Any directors of the company be authorized to do all such acts, deeds, matters and things and sign and execute such documents."

//CERTIFIED TRUE COPY//

FOR BALAJI PHOSPHATES LIMITED



MOHIT AIREN

DIRECTOR

DIN: 00326470

Dated:- 26.09.2024

Place: INDORE

