KANORIA CHEMICALS & INDUSTRIES LIMITED

Registered Office :
KCI Plaza, 6th Floor
23C, Ashutosh Chowdhury Avenue
Kolkata-700 019
Tel : +91-33-4031-3200
CIN :L24110WB1960PLC024910
E-mail :calall@kanoriachem.com
Website : www.kanoriachem.com

KC-13/

22nd August, 2024

The Manager-Listing
National Stock Exchange of India Ltd
"Exchange Plaza", Plot No.C/1, 'G' Block
Bandra Kurla Complex, Bandra (East)
Mumbai-400051

Symbol: KANORICHEM

BSE Limited
Corporate Relationship Dept.,
Rotunda Building, P.J.Towers
Dalal Street, Fort,
Mumbai- 400001

Security Code No. 50 6525

Dear Sir,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith Annual Report of the Company for the Financial Year 2023-24 which is being despatched/sent to the members by the permitted modes. The Annual Report is also uploaded on the website of the Company at www.kanoriachem.com.

This is for your information and records.

Thanking you,

Yours sincerely,
For Kanoria Chemicals & Industries Limited

NEHA SARAF Digitally signed by NEHA SARAF
Date: 2024.08.22 15:55:56 +05'30'

Neha Saraf
Company Secretary

Encl : as above

KCI

Kanoria Chemicals & Industries Limited

ANNUAL REPORT

2023-24

ANNUAL REPORT
2023-24

Registered Office

'KCI Plaza', 6th Floor, 23-C, Ashutosh Chowdhury Avenue
Kolkata – 700 019
CIN: L24110WB1960PLC024910
Phone: +91-33-40313200
Email: info@kanoriachem.com
Website: www.kanoriachem.com

Corporate Office

'Indra Prakash', 21, Barakhamba Road
New Delhi – 110 001
Phone: +91-11-43579200

Company Secretary

Neha Saraf

Group Chief Financial Officer

N. K. Nolkha

Auditors

Singhi & Co.
161, Sarat Bose Road,
Kolkata - 700 026

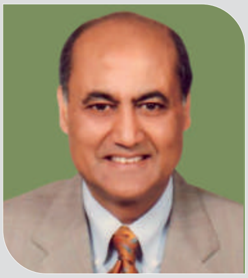
Bankers

Axis Bank Limited
HDFC Bank Limited
State Bank of India
Yes Bank Limited

Registrar & Share Transfer Agent

C B Management Services (P) Limited
Rasoi Court, 5th Floor, 20 R N Mukherjee Road
Kolkata – 700 001
Phone: +91-33-4011 6700
Email: rta@cbmsl.com
Website: www.cbmsl.com

BOARD OF DIRECTORS



Mr. R.V. Kanoria
Chairman & Managing Director

Mr. Sidharth K. Birla
Non-Executive Independent Director

Mr. H. K. Khaitan
Non-Executive Non-Independent Director
(w.e.f. 04.09.2024)

Mr. A. Vellayan
Non-Executive Independent Director
(Retired w.e.f. 03.09.2024)

Mr. Amitav Kothari
Non-Executive Independent Director
(Retired w.e.f. 03.09.2024)

Mrs. Suhana Murshed
Non-Executive Independent Director

Mr. S.V. Kanoria
Wholetime Director

Mrs. Madhuvanti Kanoria
Non-Executive Non-Independent Director

Mrs. Meeta Makhan
Additional Non-Executive
Independent Director
(Appointed w.e.f. 04.09.2024)

Mr. Sumanta Chaudhuri
Additional Non-Executive
Independent Director
(Appointed w.e.f. 04.09.2024)

ANNUAL REPORT 2023-24

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CHAIRMAN'S STATEMENT

Dear Shareholders,

The fiscal year 2023-24 remained challenging amid geo-political tensions, inflation and supply chain distribution. The Indian electorate voted in favour of National Democratic Alliance for a third term under the leadership of Prime Minister Narendra Modi. This should ensure continuity in policy and maintain the momentum of reforms essential to build greater competitiveness.

Our country continues to be one of the fastest growing large economies and is expected to grow at 6½ to 7% in the coming years.

The Indian Chemical Industry continues to be threatened with cheap imports from China. I am, however, happy that the Office of the Directorate General of Trade Remedies and the Finance Ministry are positively inclined to consider genuine cases of dumping. In this regard, your company Kanoria Chemicals & Industries Limited is also a beneficiary. Recently, anti-dumping duty has been imposed on one of our primary products, Pentaerythritol. During the year, the chemical business of the company has been particularly conscious of cost reduction and value addition by focusing on innovative solutions. The company is also augmenting its capacities to meet the growing demand for construction chemicals. Expanded capacities for Formaldehyde and Hexamine are likely to become operational by September, 2024.

The solar business of the company has been disposed of, as returns from the same were not commensurate with the investments and risks involved.

As far as the electronic auto component business of the company under its subsidiary APAG CoSyst is concerned, current operations in the global automotive industry remain in turmoil with disturbances caused by the propulsion technology debate and the megatrend towards automated driving systems. The challenging relationship with China for both Europe and the USA is furthering this turmoil with severe negative demand effects. This has made inventory management challenging and thereby liquidity control difficult. To combat this, the company has taken steps to consolidate the first stage of production in its European facility in the Czech Republic. This consolidation serves the dual purpose of controlling stock levels and increasing purchasing power. Hopefully, we shall see this move bearing fruits, towards the end of the fiscal 2025. As APAG CoSyst is agnostic to propulsion technology and aligned with the automated driving megatrend, opportunities for new contracts are ripe. Further, APAG CoSyst has become a single-source supplier to the VW-Audi-Porsche group, the BMW-Mini-Rolls Royce group, Stellantis (Maserati, Alfa Romeo, JEEP), GM (Cadillac), and Ford. The next years will hopefully see APAG CoSyst develop into a strong player in the industry.

The denim manufacturing unit in Ethiopia, Africa, operating through our wholly owned subsidiary, Kanoria Africa Textiles Plc, continues to be severely affected by the foreign currency crisis in Ethiopia. Coupled with civil strife, business conditions have been affected and demand has suffered. The silver lining is the Ethiopian Government's ongoing negotiations with the International Monetary Fund for a financial package to boost the economy. This is, however, likely to happen only if the Government simultaneously takes some bold initiatives for policy reform particularly on the market determined exchange rate of the Ethiopian Birr.

I appreciate the contributions of the team at Kanoria Chemicals & Industries Ltd, who in the face of headwinds have shown dedication, determination and resolution. The plants are running efficiently and the concerted drive on cost reduction is bearing fruit. The year 2024-25 has started well for the chemical business of the company, bolstered by the anti-dumping duty on Pentaerythritol. The increased capacities that will come into effect at Ankleshwar, Gujarat, in the later part of the year will further help. I am also hopeful that there shall be more clarity on the technological transition in the auto industry and the Ethiopian Government will meet with success in their endeavor to correct the crisis in the country.

R. V. Kanoria
Chairman & Managing Director

THE YEAR IN REVIEW

In the financial year ended 31st March 2024, the global economy continued to face significant challenges, including geopolitical tensions, ongoing energy shortages, persistent inflationary pressures, and the urgent need to address climate change. These factors had a notable impact on the Indian economy and the Chemical Industry. Throughout the year, KCIL navigated through a landscape marked by fluctuating revenues and profitability. The latter half of the fiscal year witnessed a tightening of margins, primarily attributed to a decline in demand and a surplus of basic chemicals globally. Despite these obstacles, KCIL remained resilient, adapting to market dynamics and leveraging its strengths to sustain operations. The Company acknowledges the uncertainties prevailing in the economic environment and remains committed to prudent strategies for long-term growth and sustainability.

The Company's assessments and prospects outlined hereunder are to be read in the context of the evolving and ever-changing situation.

MANAGEMENT DISCUSSION & ANALYSIS

Financial Performance with respect to Operational Performance

During the year under review, the operations of Alco Chemicals segment of the Company remained robust and efficient resulting in higher volumes of production and sales. The financial performance, however, was adversely impacted due to continued dumping of a key product of the company.

The Revenue from Operations of the Company on a standalone basis, during the year, was at Rs. 5,785 million as against Rs. 6,752 million in the year 2022-23. The company operates in commodity chemicals and the movement in input cost has a corresponding co-relation with the sales realisation. During the year the cost of most of the raw materials were lower which resulted in lower sales realisation and revenue. In addition, the sales realisation and profitability was also adversely impacted by dumping of a key product by the traditionally exporting nations. The EBITDA therefore was lower at Rs. 321 million as against Rs. 396 million in the immediately preceding year. The profitability was further adversely impacted on account of RERC's order reducing the solar power tariff from April, 2019 which was under litigation. As a result the company incurred a Net Loss of Rs. 11 million during the year as against a Profit of Rs. 59 million in the immediately preceding financial year.

Administration Building - Naidupet

The operations at APAG CoSyst Group (APAG), engaged in the manufacturing of electronics for the Automotive and Industrial segment, also improved with improved supply of semiconductors and APAG winning several new orders. APAG's Revenue from Operations increased by 9% from Rs. 7,250 million in the year 2022-23 to Rs. 7,901 million in the year 2023-24. The EBITDA increased by over 60% from Rs. 172 million in the year 2022-23 to Rs. 277 million during the year under review. A reversal of Deferred Tax Assets in its Canadian operations, resulted in Net Loss increasing to Rs. 375 million during the year as against Rs. 206 million in the immediately preceding year.

The operations at Kanoria Africa Textiles plc (KAT), another foreign subsidiary of the Company based in Ethiopia, were marred by acute shortage of foreign currency for importing raw materials and political crisis in some parts of the country. As a result, Revenue from Operations decreased by 39% from Rs. 1,782 million during FY 2022-23 to Rs. 1,081 million during the year under review. With fixed overheads getting allocated over a lower revenue base, the EBITDA decreased to Rs. 185 million as against Rs. 314 million in the previous year. Consequently, KAT incurred a Net Loss of Rs. 166 million as against a profit of Rs. 18 million in the immediately preceding year.

The Consolidated Revenue from Operations was at Rs. 14,767 million during the year as against Rs. 15,784 million in the previous year. The Consolidated EBITDA and Net Loss were at Rs. 720 million and Rs. 553 million respectively as against Rs. 827 million and Rs. 129 million respectively in the immediately preceding year.

Key Financial Ratios

	2023-24	2022-23
Debtors Turnover	6.97	6.68
Inventory Turnover	10.49	12.78
Interest Coverage Ratio	2.96	4.78
Current Ratio	1.14	1.44
Debt Equity Ratio	0.22	0.19
Operating Profit Margin (%)	1.19	2.79
Net Profit Margin (%)	-0.18	0.85
Return on Net Worth (%)	-0.17	0.93

Operating Profit Margin was lower primarily due to dumping of a key product manufactured and sold by the company at a significantly lower prices as compared to the impact of the same in the previous financial year's 2nd half only. This had a cascading adverse impact on Interest Coverage Ratio, Net Profit Margin and Return on Net Worth.

Alco Chemicals Segment

Industry structure and development

The Alco Chemicals Division of the Company serves a wide array of industries, primarily focusing on the Construction, Infrastructure, Paint, Pharma and Agrochemicals sectors. Its manufacturing portfolio includes products such as Formaldehyde, Pentaerythritol, Hexamine, Sodium Formate, Phenolic Resins, and Acetaldehyde. These products are manufactured in state-of-the-art facilities situated at Ankleshwar (Gujarat), Vizag (Andhra Pradesh), and Naidupet (Andhra Pradesh).

The Company enjoys market leadership in most of its products, and a significant presence in the rest. Its Formaldehyde plants are built using cutting-edge technologies, providing operational cost advantages and superior product quality. Moreover, the manufacturing technologies for Pentaerythritol, Hexamine, and Phenolic Resins have been developed in-house, and have been continuously refined over time to ensure global competitiveness in terms of both cost and quality.

Opportunities

- In pursuit of sustained growth and enhanced profitability, the company has formulated a comprehensive long-term strategy called "Vision-2030." This strategic framework encompasses a diversified array of projects spanning both new product lines and expansions within the existing product portfolio, with the overarching objective of achieving substantial revenue and profitability growth by the year 2030.
- In alignment with the aforementioned strategic vision, the Company has already commercialised its Phenolic Resin manufacturing facility in Ankleshwar, Gujarat during the fiscal year 2022-23. This landmark development positions the company as the sole indigenous producer of Phenolic Resin in India with a manufacturing presence on both the West and East coasts of the country. The Company is currently augmenting the capacity of its Formaldehyde plant at Ankleshwar by 345 TPD, thus elevating the overall capacity to 1400 TPD across all locations. Commercial production is expected by August 2024. Additionally, the Hexamine plant at Ankleshwar will witness an increase by 18 TPD, thus increasing the overall capacity to 52 TPD across all plants, with commercial production slated to commence by September 2024.
- The Company's efforts towards fostering innovation through its "New Product Development Cell (NPD Cell)" have begun yielding promising results. As part of its product diversification strategy, the company has resolved to incorporate Triacetin & EGDA into its product portfolio. To this end, a pilot plant has been established at Ankleshwar, equipped with proprietary technology to ensure the production of high-quality, specification-compliant output.
- In continuation of its commitment to excellence in environmental stewardship and safety, the Company proudly maintains its affiliation with the Responsible Care Logo ("RC Logo") initiative. This accolade places the Company among the select few chemical enterprises in India recognized for their dedication to upholding stringent safety, environmental, and operational standards. The RC Logo initiative represents a voluntary commitment by chemical industry stakeholders worldwide to mitigate public concerns regarding the manufacture, distribution, and utilization of chemicals, with the overarching objective of fostering a culture of safety and environmental responsibility.

Threats

- Inordinate fluctuations in Methanol and Phenol prices due to fluctuation in the crude prices and depreciating rupee against US dollar poses a threat of forex loss.
- Cheaper imports of Pentaerythritol, Sodium Formate or Hexamine.
- The uncertainty of the geopolitical disturbances and its consequent impact on our business.

Performance

The Alco Chemicals Division experienced growth in production and sales volumes compared to the previous year. However, the financial performance was notably affected by abnormally low prices of Pentaerythritol during the year, due to the product being dumped into India. This had a significant adverse effect on revenues and margins during the fiscal year. In response, the Company petitioned with the Government for an investigation into this dumping. On May 20th, via its final findings, the Government saw fit to impose an Anti-Dumping Duty on Pentaerythritol, thus providing some relief.

Outlook

Our product demands are intricately tied to India's GDP. Considering the country's projected trajectory to be one of the fastest-growing economies globally, the prospects for our business look to be favourable in the upcoming fiscal year.

However, it is imperative to acknowledge the looming threat of a global recession, which could potentially result in a downturn in demand across international markets. In such a scenario, there exists the risk of severe oversupply and consequently dumping of products into India, thus posing a challenge to our profitability.

Ammonia Tank Farm - Visakhapatnam

Solar Power Segment

The Company's Solar Power Division located at Village Bap in Jodhpur District in the state of Rajasthan was engaged since 2012 in the generation of power from solar energy using Photo Voltaic (PV) technology. The 5.0 MW capacity plant was set up under the Renewable Energy Certificate (REC) scheme.

The returns from the said solar business have not been commensurate with the investments and risks involved in it. The Company therefore, vide a resolution passed by circulation on 3rd May, 2024, approved the sale of the solar business on a slump sale basis.

QUALITY ACCREDITATION AND OHSAS

The manufacturing units of the Company at Ankleshwar, Vishakhapatnam, and Naidupeta have maintained ISO 9001 certification for quality management systems, ISO 14001 certification for environmental management systems and practices, and OHSAS 18001 certification for organizational health and safety systems throughout the year. Additionally, our company has successfully achieved the Responsible Care certification for both the Ankleshwar and Vizag plant locations for the period from May 2024 to April 2027.

SAFETY AND ENVIRONMENT

Throughout the year, the Company maintained an exemplary safety record, achieving zero accidents across all units.

Proactive environmental management practices were implemented to effectively control waste and optimize resource recycling.

In pursuit of sustainability, the Company established a dedicated HAZOP team. This initiative aims to enhance safety protocols and maximize operational safety across our manufacturing sites, ensuring optimal utilization of man-hours during operations.

Additionally, the Company continued to uphold stringent environmental standards, fostering a culture of responsible resource management and sustainable practices.

RISKS AND CONCERNS

Currently, the Company perceives the following main business risks:

- High volatility in raw material and input prices, which may result in fluctuating profit margins.
- Changes in government regulations or policies affecting the chemical industry, particularly in areas of environmental compliance or import/export tariffs.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has an Internal Financial Controls ('IFC') framework, commensurate with the size, scale, and complexity of the Company's operations. The internal control framework has been designed to provide reasonable assurance with respect to recording and providing reliable financial and operational information, complying with applicable laws, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance with corporate policies. The Company's internal financial control framework commensurate with the size and operations of the business and is in line with requirements of the Companies Act, 2013. The Company has laid down Standard Operating Procedures and policies to guide the operations of each of its functions. Business heads are responsible to ensure compliance with these policies and procedures. Continuous internal monitoring mechanisms ensure timely identification of risks and issues. The management, statutory auditors and internal auditors have also carried out adequate due diligence of the control environment of the Company. To maintain the objectivity and independence of the Internal Financial Control, the Internal Auditor reports to the Chairman of the Audit Committee. The Internal Audit team develops an annual audit plan based on the risk profile of the business activities. The Internal Audit plan is approved by the Audit Committee, which also reviews compliance to the plan. The Internal Audit team monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures, and policies at all locations of the Company. Based on the report of the Internal Auditor, departmental

Solar Panels, Bap-Rajasthan

heads/process owners undertake corrective action(s) in their respective area(s) and thereby strengthen the controls. Significant audit observations and corrective action(s) thereon are presented to the Audit Committee and shared with the Statutory Auditors. The Audit Committee at its meetings reviews the reports submitted by the Internal Auditor. A Certificate provided by the CEO and CFO is placed before the Board of Directors which discusses the adequacy of the internal control systems and procedures.

An adequate system of internal control is in place. The assets, buildings, plant and machinery, vehicles and stocks of the Company are adequately insured, including for loss of profits.

The key elements of the control system are:

- Clear and well-defined organisation structure and limits of financial authority.
- Corporate policies for financial reporting, accounting, information security, investment appraisal and corporate governance.
- Annual budgets and business plan, identifying key risks and opportunities.
- Internal audit for reviewing all aspects of laid down systems and procedures as well as risks and control.
- Risk Management Committee that monitors and reviews all risk and control issues.

HUMAN RESOURCE AND INDUSTRIAL RELATIONS

The Company continues to prioritize the development of its human resources, recognizing their critical role in maintaining organizational excellence amid a dynamic business landscape. Adhering to robust HR practices, the Company ensures fairness and transparency across all operations. Each employee is bound by a comprehensive Code of Conduct, which steers the organization towards ethical achievement of its objectives.

In the past year, KCI has intensified its focus on employee development by conducting a variety of training programs tailored to different levels of the workforce. These initiatives encompass upskilling, leadership development, and continuous learning opportunities, thereby nurturing a culture of growth, innovation, and adaptability.

KCI maintains robust open communication channels between management and employees, fostering a collaborative and supportive workplace environment & the industrial relations climate of the Company continues to be harmonious and cordial, with an unwavering focus on enhancing productivity, quality, and safety

At the end of the year, the Company had 382 permanent employees, reflecting its commitment to maintaining a stable and experienced workforce. Additionally, KCI places a high emphasis on employee well-being, offering various health and wellness programs, competitive benefits, and work-life balance initiatives to ensure a motivated and engaged workforce.

SUBSIDIARIES PERFORMANCE AND OUTLOOK

Textiles Segment

The Company's integrated denim manufacturing unit in Ethiopia, Africa operates through its wholly owned subsidiary, Kanoria Africa Textiles plc ("KAT") incorporated in Ethiopia.

The struggle for the foreign currency is continued and most likely it will continue for some time. The cost of the production will be very high in absence of the foreign currency allocation by the local banks and strategy is to continue the business without losing any more resources and wait for the situation to improve.

There are some signs of improvement on the political front and fortunately, demand for the denim fabric within the country has been improving slowly and we expect a sudden spark in demand once the Amhara region political crisis has been resolved. The export performance of the company has been continuously improving as compared to the last year and increase in exports in the current year will reduce the foreign currency dependency to some extent.

Despite, short term unfavorable scenario, the long term outlook seems very optimistic considering growth in the country and the intention of the current government is to open up the country in the coming few years for the foreign investors with a minimal control over the foreign Exchange.

Kanoria Africa Textiles Plc, Ethiopia, Africa

Electronics Automotive Segment

APAG Holding AG, Switzerland ("APAG") is a subsidiary of the Company. APAG Elektronik AG, APAG Elektronik s.r.o, CoSyst Control Systems GmbH, APAG Elektronik LLC and APAG Elektronik Corp. are step-down subsidiaries of the Company doing business jointly as APAG CoSyst Electronic Control Systems. APAG CoSyst designs, develops, and produces ECUs and lighting for the automotive and industrial sectors.

Current operations in the global automotive industry remain in turmoil with disturbances caused by the propulsion technology debate and the megatrend towards automated driving systems. Forecast fidelity from OEMs is far less accurate than pre-COVID. The challenging relationship with China for both Europe and the USA is furthering this turmoil with severe negative demand effects for western automotive OEM brands in China. For a company like APAG CoSyst with model-specific (or at best platform-specific) modules, this uncertainty in short and medium-term demand for contracted automotive modules combined with persisting long lead times for raw electronic components makes inventory management challenging and thereby liquidity control difficult.

To this end the company has taken steps to consolidate the first stage of production in its European facility in the Czech Republic from where semi-finished products are shipped to its Canadian facility for remaining complex assembly and testing processes, before delivery to North American customers. This consolidation both helps control stock levels and increases purchasing power. Fruits of this move (completed in March 2024) should accrue towards the end of this fiscal 2024/25 as old inventory and placed orders start to run out and can be replaced by new ones via the Czech facility. This will manifest in the form of margin improvements from lower procurement costs and reduced need for now expensive working capital financing.

The long-term prospects of the industry for a technically strong and high quality player remain very promising. The role and applications of electronics is growing. As APAG CoSyst is agnostic to propulsion technology and aligned with the automated driving megatrend (with ADAS subcomponents in its portfolio), opportunities for new contracts are ripe.

The growth of the company is robust with new single-source business awards from large, established, and well-poised new customers. Significant recent business wins are from Tesla, Illinois Tool Works (ITW), MinebeaMitsumi, and Sensirion. These are all well-respected, global automotive companies. With these additions, APAG CoSyst becomes a single-source supplier to the VW-Audi-Porsche group, the BMW-Mini-Rolls Royce group, Stellantis (Maserati, Alfa Romeo, JEEP), GM (Cadillac), and Ford. Many new wins are a result of the unique combination of capabilities that the company has now mastered – embedded software and hardware development, mechanical and optical design, automation equipment design and in-house manufactured assembly lines, and of course the exceptional quality production (default parts per million of 3 in the year ended March 2024).

The company ended the year 2023/24 with ~CHF90m in turnover. Already awarded business de-rated (reduced) to account for demand inconsistencies in the current automotive landscape, along with win probability-weighted requests in-hand show projected growth to CHF98m in 2024/25, CHF111M in 2025/26, CHF118M in 2026/27, and CHF127M in 2027/28. This includes the above added customers plus the existing customers with ongoing or increasing programmes.

The next years will hopefully see APAG CoSyst develop into a strong player in the industry.

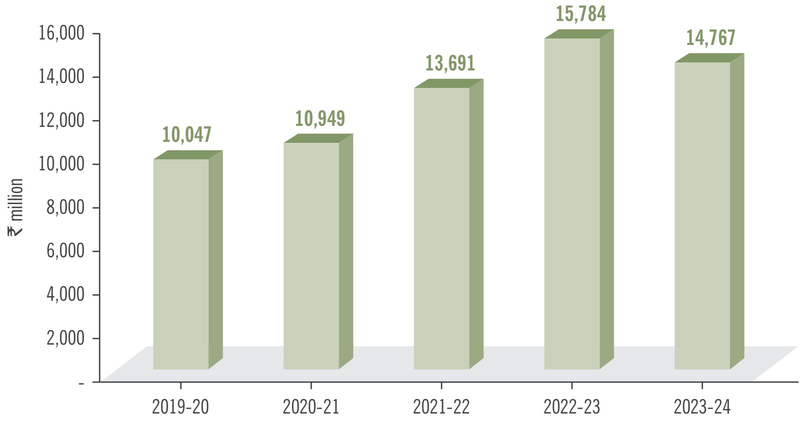

APAG Facility - Czech Republic

CAUTIONARY STATEMENT

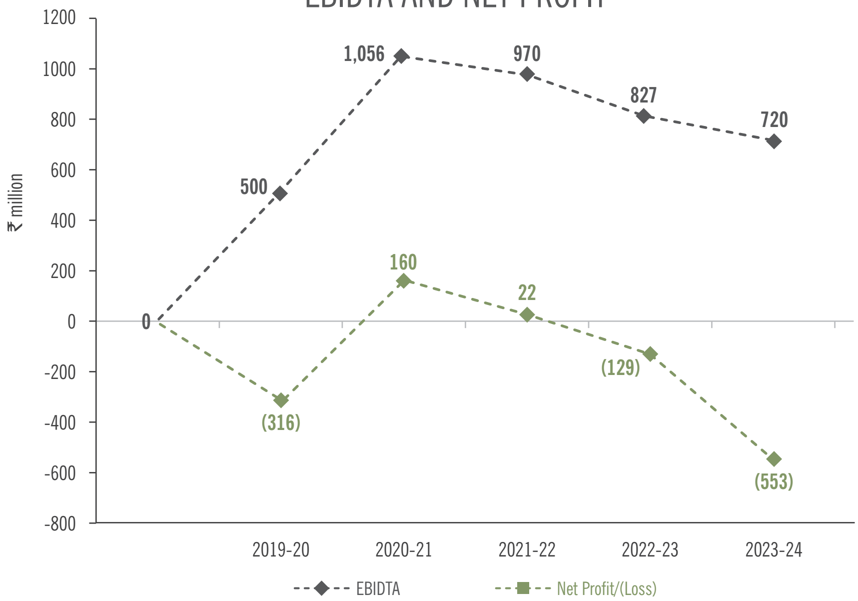
Statement in this 'Management Discussion and Analysis' describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, feed stock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations.

VALUE

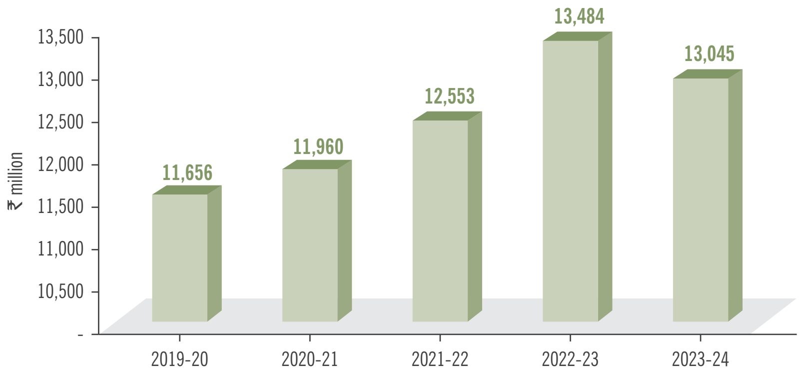
REVENUE FROM OPERATIONS



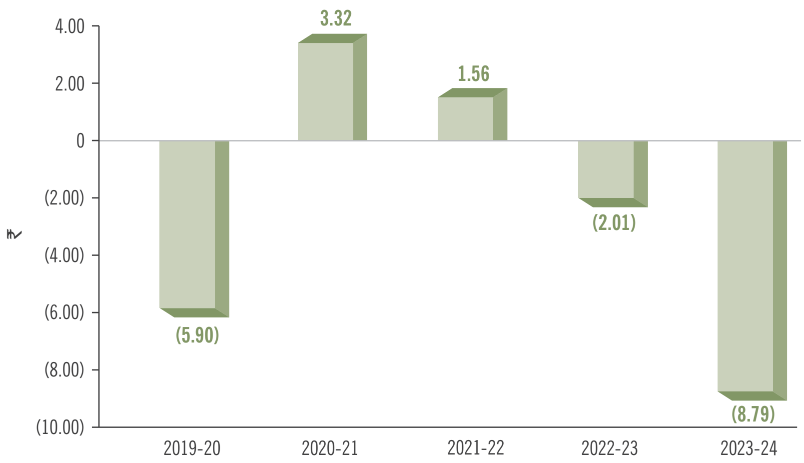
EBIDTA AND NET PROFIT



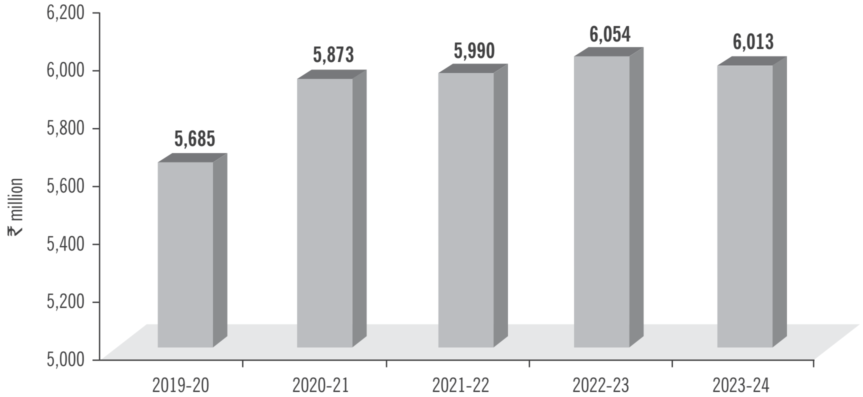
GROSS BLOCK



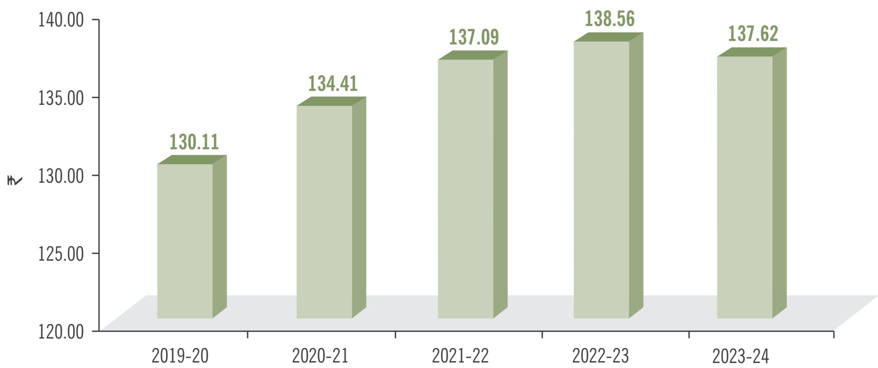
EARNING PER SHARE



EQUITY SHAREHOLDERS FUND



BOOK VALUE PER SHARE



Figures pertain to consolidated financials

DIRECTORS' REPORT

TO THE SHARE HOLDERS

Your Directors have pleasure in presenting the Sixty Fourth Annual Report, along with the Audited Accounts of the Company for the financial year ended 31st March 2024.

Detailed information on the performance of your Company appears in the Annual Report. A discussion on the operations of the Company is given in the section titled 'The Year in Review'. Some of the statutory disclosures, however, appear in this Report. This Report, read along with the other sections, provides a comprehensive overview of the Company's performance and plans.

FINANCIAL RESULTS

The financial performance of the Company for the year ended 31st March 2024 is summarized below:

(Rs. in million)

Particulars	2023-2024	2022-2023
Total Income	**6,037.90**	**6,959.77**
Profit before Depreciation & Amortisation, Finance Costs, Exceptional items and Tax	321.31	396.20
Depreciation and Amortisation	214.61	211.94
Finance Costs	115.36	95.04
Exceptional Items	24.21	-
Profit/(Loss) before Tax	**(32.87)**	**89.22**
Tax Expenses	(21.73)	29.95
Profit/(Loss) for the year	**(11.14)**	**59.27**
Other Comprehensive Income for the year, net of Tax	(0.66)	1.09
Total Comprehensive Income for the year	**(11.80)**	**60.36**

STATE OF COMPANY'S AFFAIRS

During the year under review, the operational performance of the Company's chemical plants situated in Ankleshwar, Vizag, and Naidupeta remained robust and the plants were running efficiently. Both the manufacturing output and sales volumes of our product exceeded those of the preceding fiscal year. It is, however, imperative to note that the prevailing market conditions, coupled with influx of imported goods from traditional exporting nations, have adversely affected the Company's profitability during the year under review. The situation since then has improved with the imposition of anti dumping duty in May, 2024 on import of Pentaerythritol, one of the key products manufactured by the company.

The Company has a vision and comprehensive long-term growth strategy entitled **"Vision-2030"**, encompassing a diverse array of projects spanning new as well as existing product lines. Our objective is to achieve significant expansion in both revenue and profitability by the year 2030. As an initial step towards realizing this vision, the Company successfully inaugurated its Phenolic Resin plant in Ankleshwar, Gujarat during the fiscal year 2022-23, thereby establishing itself as the only indigenous Phenolic Resin manufacturer with a presence on both the West and East coasts of the Country. The Company is currently augmenting the capacity of its Formaldehyde plant at Ankleshwar by 345 TPD, thus taking the overall capacity to 1400 TPD across all locations. Commercial production is expected by August 2024. Additionally, the Company is also increasing the capacity of Hexamine by 18 TPD by setting up a second plant at Ankleshwar, thus increasing the overall capacity to 52 TPD across all plants, with commercial production slated to commence by September 2024. The Company has made significant strides in the development of various Pentaerythritol Derivatives, with ongoing endeavours focused on introducing a range of novel products into the market.

The Company's Solar Power Division located at Village Bap in Jodhpur District in the state of Rajasthan was engaged since 2012 in the generation of power from solar energy using Photo Voltaic (PV) technology. The 5.0 MW capacity plant was set up under the Renewable Energy Certificate (REC) scheme.

The returns from the said solar business have not been commensurate with the investments and risks involved in it. The Company therefore, vide a resolution passed by circulation on 3rd May, 2024, approved the sale of the solar business by way of slump sale.

No material changes and commitments have occurred after the close of the financial year 2023-24 till the date of this Report, which affect the financial position of the Company.

A brief description of the operations of the subsidiaries of the Company appears later in this report.

DIVIDEND

The Board of Directors has not recommended any dividend for the financial year ended 31st March 2024.

The Dividend Distribution Policy as approved by the Board may be accessed on the Company's website at the following link: https://a.storyblok.com/f/209886/x/fd9ac34653/dividend-distribution-policy.pdf

TRANSFER TO RESERVES

The Company has not transferred any amount to Reserves for the financial year ended 31st March 2024. .

CREDIT RATINGS

Care Ratings Limited has revised the rating for the long-term bank facilities of the Company as CARE BBB; Stable (Triple B; Outlook: Stable) from the existing rating of CARE BBB+; Stable (Triple B Plus; Outlook: Stable) and rating for the short-term bank facilities as CARE A3+ (A Three Plus) from the existing rating of CARE A2 (A Two).

CONSOLIDATED FINANCIAL STATEMENT

As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and provisions of the Companies Act, 2013 ("Act"), the audited Consolidated Financial Statement for the year ended 31st March 2024 has been annexed with the Annual Report.

DEPOSITS

During the year under review, the Company has not accepted any deposits from the public and that as at the end of the year there were no outstanding deposits under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

INTERNAL FINANCIAL CONTROL

The Company has in place adequate internal financial controls with respect to financial statements. The Company's Internal Control Systems are commensurate with the nature, size and complexity of its business and ensure proper safeguarding of assets, maintaining proper accounting records and providing reliable financial information. The policies and procedures adopted by the Company ensure prevention and detection of frauds and errors, accuracy and completeness of the records and timely preparation of reliable financial statements. No reportable material weakness in the design or operation was observed during the year.

DIRECTORS

During the year under review, following changes took place in the Directorships:

Shri Sidharth Kumar Birla (DIN: 00004213) was re-appointed as Independent Director of the Company with effect from 18th May, 2023, for a second term of 5 (five) consecutive years with effect from May 18, 2023 to May 17, 2028. His re-appointment was approved by the shareholders on May 15, 2023 by way of Postal Ballot.

Shri R.V. Kanoria (DIN: 00003792), was re-appointed as the Managing Director of the Company for a further period of 3 (three) years with effect from 10th January, 2024. His re-appointment was approved by the shareholders on December 29, 2023 by way of Postal Ballot.

Except the above, there has been no change in the Board of Directors during the Financial Year ended March 31, 2024.

On the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on 5th August, 2024:

a) Proposed the appointments of Smt. Meeta Makhan (DIN: 07135150) and Shri Sumanta Chaudhuri (DIN: 01998420) as Additional Directors of the Company, in the category of Independent Directors, not liable to retire by rotation for a period of 5 years effective from 4th September 2024, subject to the shareholders' approval. The Board is of the opinion that Smt. Meeta Makhan and Shri Sumanta Chaudhuri are persons of integrity, expertise, and are competent and proficient to serve the Company as Independent Directors.

b) Proposed appointment of Shri Hemant Kumar Khaitan as Non Executive and Non Independent Director, liable to retire by rotation, effective from 4th September 2024, subject to the shareholders' approval, vide end of his second term of Independent Directorship with effect from the close of business hours of 3rd September, 2024. The Nomination and Remuneration Committee and the Board are of the view that given the contribution by Shri Hemant Kumar Khaitan to Board processes and his knowledge, experience and performance, his continued association would benefit the Company.

Further, Shri Amitav Kothari and Shri A. Vellayan will also retire as Independent Directors, with effect from the close of business hours of 3rd September, 2024, vide end of second term of their Independent Directorship.

Shri Saumya Vardhan Kanoria (DIN: 02097441) retires by rotation at the ensuing AGM under the applicable provisions of the Act and being eligible, offers himself for re-appointment as a Director of the Company.

Additional information, pursuant to the Listing Regulations and Secretarial Standard on General Meetings (SS2) of ICSI in respect of Directors seeking appointments and re-appointment is given in the AGM Notice of the Company.

Further, as declared by them, none of the Directors of the Company is disqualified from being appointed as a Director, as specified in section 164(2) of the Companies Act, 2013 and rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules 2014 or is debarred or disqualified from being appointed or continuing as Director of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

The Company has received declarations from all Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149 (6) of the Companies Act and Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, the said Directors fulfill the conditions for appointment/re-appointment/continuation as Independent Directors as specified in the Act and the Listing Regulations and they are also independent of the Management.

KEY MANAGERIAL PERSONNEL

Save and except as stated above, there are no other changes in the KMPs during Financial Year 2023-24. For details on changes in senior management, please refer Report on Corporate Governance.

STATEMENT OF INTEGRITY, EXPERTISE AND EXPERIENCE OF INDEPENDENT DIRECTORS

All the Independent Directors of the Company have been registered and are members of Independent Directors Databank maintained by Indian Institute of Corporate Affairs at Manesar (IICA). They have confirmed their compliance with Rules 6 (1) and 6 (2) of the Companies (Appointment and Qualification of Directors) Rules, 2014 as amended. In the opinion of the Board, the Independent Directors of the Company have vast experience, expertise and integrity and their continued association would be of immense benefit to the Company.

PERFORMANCE EVALUATION

The Company has framed the criteria for performance evaluation of Independent Directors, the Board, the Board Committees and other individual Directors. Criteria for performance evaluation of the Chairman & Managing Director, Executive Director and Non-Independent Directors have also been framed.

The criteria, among others includes factors such as preparation, participation, engagement, personality and conduct, value addition, strategic planning and vision, team spirit and consensus building, leadership quality, understanding and focus on key business issues, independent thinking and judgment, quality of analysis, experience and business wisdom, management qualities, awareness, motivation, integrity, ethics and receptivity. The criteria for evaluating the Board's functioning/effectiveness inter alia includes its structure, strategic review, business performance review, internal controls, process and procedures.

The evaluation forms containing the criteria as framed were circulated and on the basis of responses, the Board evaluated the performance of individual Directors, its own performance and that of its Committees. The Independent Directors in their separate Meeting also carried out the performance evaluation of the Chairman & Managing Director, Executive Director and other non-independent Directors as well as the Board of the Company. The Directors expressed overall satisfaction on the performance and functioning of the Board, its Committees and the Directors. No action was required to be taken on the previous year's observations and also no action is required to be taken on this year's observations.

FAMILIARISATION PROGRAMMES

The Board Members are provided with necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committees, on business and performance updates of the Company. Relevant statutory changes encompassing important laws are regularly made available to the Directors. Efforts are also made to familiarise the Directors about the Company, their roles, rights, responsibility in the Company, nature of the industry in which the Company operates, business model/ procedures/ processes of the Company, etc. through various programmes including plant visits. The details of the familiarisation programmes for Independent Directors are put on the website of the Company and can be accessed at the link: https://a.storyblok.com/f/209886/x/174a5373f7/familiarisation-programme-for-independent-directors.pdf

NUMBER OF MEETINGS OF BOARD OF DIRECTORS

During the Financial Year 2023-24, the Company held 5 (five) Meetings of the Board of Directors. The details of the Meetings and attendance of each of the Directors thereat are provided in the Report on Corporate Governance forming part of the Annual Report.

AUDIT COMMITTEE

The Audit Committee of the Company comprises of Shri Amitav Kothari, Shri H. K. Khaitan and Shri Sidharth Kumar Birla, Independent Directors and Shri R. V. Kanoria, Chairman & Managing Director of the Company. Shri Amitav Kothari is the Chairman of the Committee. During the Financial Year 2023-24, the Company held 5 (five) Meetings of the Audit Committee. The details of the Meetings and attendance of each of the Members thereat are provided in the Report on Corporate Governance forming part of the Annual Report.

The terms of reference of the Committee have also been provided in the Corporate Governance Report.

There has been no such incidence where the Board has not accepted the recommendation of the Audit Committee during the year under review.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee of the Company comprises of Shri H. K. Khaitan and Shri Amitav Kothari, Independent Directors and Shri S. V. Kanoria, Wholetime Director of the Company. Shri H. K. Khaitan is the Chairman of the Committee. The Committee met once during the year under review, details of which are provided in the Report on Corporate Governance forming part of the Annual Report.

The terms of reference of the Committee have also been provided in the Corporate Governance Report.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company comprises of Shri H. K. Khaitan, Shri Sidharth Kumar Birla and Shri A Vellayan, Independent Directors, and Shri R. V. Kanoria, Chairman & Managing Director of the Company. Shri H. K. Khaitan is the Chairman of the Committee.

The Committee met twice during the year under review, details of which have been provided in the Corporate Governance Report.

The terms of reference of the Committee have also been provided in the Corporate Governance Report.

The Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, has formulated the Nomination and Remuneration Policy, which contains the matters with regard to criteria for appointment of Directors and determining Directors' independence and policy on remuneration for Directors, Senior Managerial Personnel and other employees, and the same may be accessed at the Company's website at the following link: https://a.storyblok.com/f/209886/x/d31aa193a6/nomination-and-remuneration-policy.pdf

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee of the Company comprises Smt. Madhuvanti Kanoria, Director, Shri R.V. Kanoria, Managing Director and Shri H. K. Khaitan, Independent Director. Smt. Madhuvanti Kanoria is the Chairperson of the Committee.

The Committee met twice during the year under review, details of which have been provided in the Corporate Governance Report.

The terms of reference of the Committee have also been provided in the Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY

The Company, in keeping with its philosophy, always strives to conduct its business in an inclusive, sustainable, socially responsible and ethical manner. The Company has in place a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company. The Corporate Social Responsibility Policy of the Company enables it to continue to make a responsible contribution towards the welfare of society.

The Company will undertake the CSR activities as are enumerated in Schedule VII of the Act. However, primarily the Company's focus will be on the following areas:

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation.
- Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- Rural Development activities/projects.
- Promoting gender equality, Empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens.
- Ensuring environmental sustainability and ecological balance.
- Social economic development and relief and welfare of the scheduled caste, tribes, other backward classes, minorities and women;

The Company may also take other CSR activities as may be prescribed under the applicable statute from time to time. In addition, the Company may take such other appropriate activities for the society, from time to time, as may be thought fit by the CSR Committee and approved by the Board.

During the year, the Company has spent an amount of Rs. 2.57 million as CSR expenditure during the financial year 2023-24 against the Budget of Rs. 2.57 million (Rs. 0.03 million surplus of earlier year set off against the total budget of Rs. 2.60 million during the year).

There is no unspent amount towards CSR expenses. The Annual Report on the CSR activities, pursuant to Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is provided as Annexure to this Report.

The CSR Policy may be accessed on the Company's website at the following link:
https://a.storyblok.com/f/209886/x/656982d5c3/corporate-social-responsibility-policy.pdf

RISK MANAGEMENT COMMITTEE

The Risk Management Committee of the Company comprises Shri R.V. Kanoria, Managing Director, Shri S.V. Kanoria, Wholetime Director, Shri H.K. Khaitan, Independent Director and Shri N.K. Nolkha - Group Chief Financial Officer. Shri R.V. Kanoria is the Chairman of the Committee. Shri Ranjeet Singh, Chief Executive - Chemicals Business ceased to be a member of the Committee with effect from 1st September, 2023, vide his resignation, with effect from that date. The Committee met twice during the financial year 2023-24, details of which have been provided in the Corporate Governance Report. The terms of reference of the Committee have also been provided in the Corporate Governance Report.

RISK MANAGEMENT

The Company's management systems, organisational structures, processes, codes of conduct together form the basis of risk management system that governs and manages associated risks. The Risk Management Committee of the Company assesses the significant risks that might impact the achievement of the Company's objectives and develops risk management strategies to mitigate/minimise identified risks and designs appropriate risk management procedures. The Board does not foresee any risk which may threaten the existence of the Company.

COMMITTEE OF DIRECTORS

The Board of Directors renamed the existing Finance Committee of the Company as the "Committee of Directors" of the Company with effect from 14th February, 2024.

The Committee of Directors comprises of Shri R.V. Kanoria, Managing Director, Shri H.K. Khaitan, Shri Amitav Kothari, Independent Directors and Shri S. V. Kanoria, Wholetime Director. Shri R. V. Kanoria is the Chairman of the Committee.

The Committee met once during the year under review, details of which have been provided in the Corporate Governance Report.

The terms of reference of the Committee have also been provided in the Corporate Governance Report.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis is a part of the Annual Report.

SUBSIDIARIES

A) APAG

APAG Holding AG, Switzerland ("APAG") is a subsidiary of the Company. APAG Elektronik AG, APAG Elektronik s.r.o, CoSyst Control Systems GmbH, APAG Elektronik LLC and APAG Elektronik Corp. are step-down subsidiaries of the Company. Kanoria Africa Textiles Plc, Ethiopia ("KAT") is a wholly owned subsidiary of the Company.

APAG CoSyst Electronic Control Systems designs, develops, and produces ECUs and lighting for the automotive and industrial sectors.

After a turbulent time with the severe and unprecedented global shortage of semiconductors, the supply chain is easing somewhat and the short-term future looks brighter than it did. The long-term prospects remain bright with a strong sales pipeline in both markets – Europe and North America. In Europe, inspite of several ongoing challenges, the breadth of over 250 finished products facilitates consistently healthy sales. This has aided in reducing inventory and freeing up some liquidity. Demand is staying strong and the company is on track for a healthy short to medium-term forecast.

In Canada, the shortage of semiconductors has resulted in more difficulties with the cancellation of various car model variants, while delay in others; causing further delay in achieving month to month breakeven sales. The growing stock because of either the inability to convert to sales (because of a missing portion of the bill of material), or a delay in customer demand further worsens the situation. In fact, because of a now foreseen period of 2-3 months of low demand, the company is exploring a temporary work-time reduction supported by the government. Following this period, sales are forecasted to grow to break-even levels.

In the long-term, APAG is poised to grow. This fiscal year 2023-24 should see the company come very close to the CHF 100 mn. turnover. The next years will hopefully see APAG CoSyst develop into a strong player in the industry.

The Board at its Meeting held on 11th April, 2023, approved to sell 42 shares of APAG to a new strategic investor, Cosyst Holding AG, Switzerland (which is a wholly owned subsidiary of KPL International Ltd., India, a related party of the Company). Currently the Company holds 286 shares in APAG consisting about 55% of its share capital.

B) KAT

The Company's integrated denim manufacturing unit in Ethiopia, Africa is operating through its wholly owned subsidiary, Kanoria Africa Textiles plc ("KAT") incorporated in Ethiopia.

The performance for the current year has been impacted due to mainly two reasons- An acute shortage of the foreign currency in the country and political crises in the Amhara region. The company could hardly receive any foreign exchange from the banks to import the essential raw materials and as a result could not meet the production and sales targets. The political crises in the Amhara region has impacted the local demand of fabric for almost more than six months.

There are some signs of improvement on the political front but the foreign exchange crises is likely to continue unless Ethiopia's ongoing discussion for funding with the International Monetary Fund concludes successfully.

The demand for the Denim fabric within the country has been improving and we expect a further increase in demand once the Amhara region political crisis has been resolved. The export performance of the company has been continuously improving as compared to the last year and increase in exports in the current year will reduce the foreign currency dependency to some extent.

A report on the financial position of the subsidiaries of the Company, as per the Companies Act, 2013, is provided in the Annual Report and hence is not repeated here for the sake of brevity.

The Policy for determining Material Subsidiaries as approved by the Board may be accessed on the Company's website at the following link:
https://a.storyblok.com/f/209886/x/234f08894e/policy-for-determining-material-subsidiaries.pdf

There is no change in the position of the Subsidiaries during the year under review. The Company does not have any Associates or joint ventures.

PARTICULARS OF INVESTMENTS MADE, LOANS, GUARANTEES GIVEN AND SECURITIES PROVIDED

Details of investments made, loans given, guarantees given and securities provided as covered under the provisions of Section 186 of the Act are given in the Note Nos. 6 and 38 of the Standalone Financial Statements.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered into by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis and were approved by the Audit Committee and Board of Directors, as and when required. None of the transactions with any of the related parties were in conflict with the Company's interest. No Material RPTs, as per the materiality threshold, were entered during the year by the Company. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY 2023-24 and hence does not form part of this report.

The Policy on Related Party Transactions as approved by the Board may be accessed on the Company's website at the following link:
https://a.storyblok.com/f/209886/x/aa1b855e02/policy-on-related-party-transactions.pdf

STOCK EXCHANGE(S)

The Equity Shares of your Company are listed on two stock exchanges:

- National Stock Exchange of India Limited, Exchange Plaza, Plot no. C/1, G- Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051.
- BSE Limited, PhirozeJeejeeboy Towers, Dalal Street, Mumbai 400 001.

The annual listing fees for the year 2023-24 have been paid to both the stock exchanges where the shares of your Company are listed.

CHANGE IN THE NATURE OF BUSINESS

There has been no change in the nature of business of the Company.

VIGIL MECHANISM

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism of reporting illegal or unethical behaviour. In compliance with provisions of Section 177(9) of the Act and the Listing Regulations, the Company has in place a Whistle Blower Policy for its Directors, employees and any other stakeholder to report concerns about unethical behaviour, actual or suspected fraud or violation of applicable laws and regulations and the Company's Codes of Conduct or policies and leak or suspected leak of unpublished price sensitive information of the Company. The concerns may be reported to the Audit Committee through the Nodal Officer and, in exceptional cases, may also be reported to the Chairman of the Audit Committee. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice. During the year under review, no employee was denied access to the Audit Committee.

The Whistle Blower Policy of the Company may be accessed on the Company's website at the following link:
https://a.storyblok.com/f/209886/x/6e33061fc5/whistle-blower-policy.pdf

CORPORATE GOVERNANCE

The Company adheres to good governance practices. Corporate Governance at KCI extends to all stakeholders and is embodied in every business decision. The Company places prime importance on reliable financial information, integrity, transparency, empowerment and compliance with the law in letter and spirit. While Management Discussion and Analysis Report appears in the Section titled 'the Year in Review' in the Annual Report, the Corporate Governance Report and the Certificate from the Auditors of the Company confirming compliance of the conditions of Corporate Governance are annexed hereto and form a part of the Directors' Report.

There is a conscious effort to ensure that the values enshrined in the Codes of Conduct for the Directors and Senior Management Personnel and the Employees respectively, are followed in true spirit across all levels of the Company.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31st March 2024 may be accessed on the Company's website at the following link: https://www.kanoriachem.com/investors/annual-returns/

AUDITORS AND AUDITORS' REPORT

The Members had appointed M/s. Singhi & Co., Chartered Accountants (Firm Registration No. 302049E), as the Statutory Auditors of the Company at the 62nd Annual General Meeting, to hold office as such, for a term of 5 years till the conclusion of the 67th Annual General Meeting.

The Auditors' Report for the financial year ended 31st March 2024 does not contain any qualification, reservation or adverse remark.

FRAUD REPORTING

During the year under review, the Auditors have not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3) (ca) of the Act.

COST AUDITORS

Pursuant to Section 148 of the Act, the Board, on the recommendation of the Audit Committee, has approved the appointment of M/s N. D. Birla & Co., Cost Accountants (Firm Registration No. 000028), Ahmedabad, as the Cost Auditors for conducting the audit of the cost records of the Company for the financial year ending on 31st March 2024, at a remuneration of Rs. 1,65,000/- (Rupees One Lakh Sixty Five Thousand only) plus applicable taxes and reimbursement of travelling and other incidental expenses to be incurred in the course of cost audit.

SECRETARIAL AUDITOR & SECRETARIAL AUDIT REPORT

Pursuant to Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s Vinod Kothari & Co., Practising Company Secretaries (UIN: P1996WB042300), to conduct Secretarial Audit of the Company for the financial year 2023-24. The Secretarial Audit Report for the financial year 2023-24 is provided as an Annexure to this Report. The Report does not contain any qualification, reservation or adverse remark.

SECRETARIAL COMPLIANCE REPORT

The Company has undertaken an audit for the Financial Year ended March 31, 2024 for all applicable compliances as per the Securities and Exchange Board of India Regulations and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report issued by M/s Vinod Kothari & Co., Practising Company Secretaries, has been submitted to the Stock Exchanges within 60 days from the end of the Financial Year.

INTERNAL AUDITORS

The Board of Directors of the Company has appointed M/s. Pawan Gupta & Co. as Internal Auditors to carry-out extensive Internal Audit of the Company for the Financial Year ended March 31, 2024.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditor, Internal Auditor and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Directors or Officers or Employees to the Audit Committee under Section 143(12) of the Companies Act, 2013 and therefore details of the same in this Report is not applicable.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO

As required under Section 134 of the Act and the rules framed thereunder, the statement containing necessary information in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo is provided in the Annexure to this Report.

EMPLOYEES INFORMATION AND RELATED DISCLOSURES

As required under Section 197(12) of the Act read with the Rules 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, disclosures of remuneration and other details/particulars of the Directors and employees of the Company are provided in the Annexure to this Report.

SAFETY AND ENVIRONMENT

The Company steadfastly upholds its dedication to sustainable development and the provision of a safe and healthy workplace. Our environmental management strategy adheres to the fundamental principle of ensuring a secure working environment through ongoing technological advancements, pollution prevention measures, resource conservation efforts, and waste recycling initiatives. Safety stands as a cornerstone value within our operations, and we are resolutely committed to the pursuit of zero injuries, reflecting our unwavering commitment to the well-being of our workforce.

The Company's Alco Chemical Division facilities, located in Ankleshwar, Vizag, and Naidupeta have consistently adhered to Environment, Health, Safety, and Quality standards, resulting in their certification under ISO 9001:2015 (Quality Management Systems), ISO 14001:2015 (Environment Management Systems and practices), and ISO 45001:2018 (Occupational Health and Safety Management Systems). Additionally, all Divisions hold RC 14001:2015 certification, indicative of their commitment to implementing Responsible Care management systems aimed at addressing community concerns associated with products and operations. Notably, the Company's Ankleshwar, and recently Vizag, units proudly display the Responsible Care Logo. This emblem symbolizes the Company's exceptional performance in safety, environmental stewardship, community engagement, and sustainability practices.

The Company has a documented Environment Health & Safety Policy that is communicated within the Company and made available to all interested parties. With the view to achieve 'Zero Accidents status' the Company has developed health and safety procedures as well as safety targets and objectives.

Risk mitigation plans undergo regular review by a centralized Environmental, Health, and Safety (EHS) team. Various techniques such as Hazard and Operability Study (HAZOP), Hazard Identification and Risk Analysis (HIRA), and Quantitative Risk Assessment (QRA) are employed to identify hazards, ensuring the maximization of safe man-hours and the prevention of incidents at our manufacturing units during operations. The Company has implemented methodologies such as 5S and Kaizen to augment existing safety standards and provide a platform for employees to share their expertise on waste management practices related to process development, safety, health, and environmental concerns within the industry. Safety observations are disseminated among relevant stakeholders, and compliance statuses are routinely reviewed.

The Company is committed to sustainable development and has set ambitious goals supported by a robust EHS program. This commitment is demonstrated through initiatives such as the adoption of renewable energy sources (wind/solar) across all manufacturing locations, the implementation of "reuse, reduce, and recycle" practices facilitated by the installation of a Phenol recovery plant at Ankleshwar and Ion-Exchange technology at Ankleshwar & Vizag for waste stream management for the Hexamine plant. Furthermore, efforts are underway to reduce the carbon footprint by substituting coal with biomass as a renewable energy source for the steam generation boilers at the Ankleshwar unit.

HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATIONS

The human resource development initiatives of the Company are underpinned by a robust framework of values aimed at fostering trust, transparency, and dignity among all personnel. Our policies are designed to cultivate a culture of mutual respect and collaboration within the workforce.

In alignment with our strategic goal of becoming a strengths-based organization, the Company has implemented a comprehensive system to monitor and recognize individual employee contributions towards the realization of our vision and mission. As part of our commitment to Vision-2030, we have sustained our efforts in providing continuous internal and external training opportunities to employees at various levels.

Throughout the year, the Company maintained harmonious industrial relations with its employees and workers across all operational sites, fostering an environment of cooperation and mutual understanding.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(5) of the Companies Act, 2013:

a) that in the preparation of the annual financial statements for the year ended 31st March 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) that such accounting policies have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2024 and of the profit of the Company for the year ended on that date;

c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities:

d) that the annual financial statements have been prepared on a going concern basis;

e) that proper internal financial controls to be followed by the Company have been laid down and that the financial controls are adequate and are operating effectively; and

f) that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of Section 124 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, unclaimed dividend amount of Rs. 554,901/- of the Company for the Financial Year ended March 31, 2016 has been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 125 of the Companies Act, 2013.

During the year 15673 equity shares were transferred to IEPF.

The details are provided at the website of the Company at the following link: https://www.kanoriachem.com/investors/unpaid-dividend/

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has constituted Complaints Redressal Committees across all its locations to consider and resolve sexual harassment complaints reported by women. During the year under review, no complaint was filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and that there was no complaint pending at the end of the year. The Company regularly conducts awareness programs for its employees.

The following is a summary of sexual harassment complaints received and disposed off during the year:

Sl. No.	Particulars	Status of the No. of complaints received and disposed off
1	Number of complaints on Sexual harassment received	NIL
2	Number of Complaints disposed off during the year	Not Applicable
3	Number of cases pending for more than ninety days	Not Applicable
4	Number of workshops or awareness programme against sexual harassment carried out	The Company regularly conducts necessary awareness programmes for its employees
5	Nature of action taken by the employer or district officer	Not Applicable

CONSTITUTION OF INTERNAL COMPLAINTS COMMITTEE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has constituted Complaints Redressal Committees across all its locations, as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has not received any complaints during the year.

INSURANCE

All properties and insurable interests of the Company have been fully insured.

COMPLIANCE WITH SECRETARIAL STANDARD

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

PREVENTION OF INSIDER TRADING CODE

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. The Company has appointed Smt. Neha Saraf, Company Secretary as Compliance Officer under the said Regulations. The said Code has been complied during the year under review.

RECONCILIATION OF SHARE CAPITAL AUDIT

The Practicing Company Secretary's quarterly Certificate with regard to reconciliation of Share Capital Audit as required under the SEBI Listing Regulations is submitted to BSE and the NSE and is also placed before the Board of Directors.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS/TRIBUNALS

During the year under review, no significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

GENERAL

i. No material changes and commitments affecting the financial position of the Company have occurred from the close of the financial year ended 31st March, 2024 till the date of this Report.

ii. During the year under review, the Company has not issued sweat equity shares.

iii. During the year under review, the Company has not issued shares with differential voting rights.

iv. The Company has not revised any of its financial statements or reports.

v. During the year under review, no application has been made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 against the Company.

vi. During the year under review, there were no instance of one-time settlement with banks or financial institutions and hence the differences in valuation as enumerated under Rule 8 (5) (xii) of Companies (Accounts) Rules, 2014, as amended, do not arise.

ACKNOWLEDGEMENTS

Your Directors acknowledge with gratitude the commitment and dedication of the employees for their untiring personal efforts as well as their collective contributions at all levels that have led to the growth and success of the Company. The Directors would like to thank other stakeholders including lenders and business associates who have continued to provide support and encouragement.

Registered Office
'KCI Plaza'
23-C, Ashutosh Chowdhury Avenue
Kolkata 700 019
Date: 5th August, 2024

For and on behalf of the Board,

R. V. Kanoria
Chairman & Managing Director
DIN:00003792

ANNEXURE TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CSR ACTIVITIES

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

1. A. Brief outline on CSR Policy of the Company:

The Company acts as a good Corporate Citizen and as its philosophy always strive to conduct its business in inclusive, sustainable, socially responsible, ethical manner and to continuously work towards improving quality of life of the communities. The Company has in place a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company. The Corporate Social Responsibility Policy of the Company enables it to continue to make responsible contribution towards welfare of the society.

The scope of activities which the Company undertakes towards fulfilment of its CSR obligations are in line with Schedule VII of the Act. However, primarily the Company's focus is on the following areas:

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water.
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- Ensuring environmental sustainability and ecological balance. Protection of flora and fauna, animal welfare, agroforestry, conservation on natural resources and maintaining quality of soil, air and water.

The Company may also take other CSR activities as may be prescribed under the applicable statute from time to time. In addition, the Company may take such other appropriate activities for the society, from time to time, as may be thought fit by the CSR Committee and approved by the Board.

B. Policy of the Company: The CSR Policy of the Company may be accessed on its corporate website at: https://a.storyblok.com/f/209886/x/656982d5c3/corporate-social-responsibility-policy.pdf

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Smt. Madhuvanti Kanoria	Non-executive Non Independent Director	2	2
2.	Shri R. V. Kanoria	Managing Director	2	2
3.	Shri H. K. Khaitan	Independent Director	2	2

3. Provide the web-link where following are disclosed:
   CSR Committee - https://www.kanoriachem.com/investors/board-committees/
   CSR Policy - https://a.storyblok.com/f/209886/x/656982d5c3/corporate-social-responsibility-policy.pdf
   CSR Projects approved by the Board - https://www.kanoriachem.com/investors/csr-programme/

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:
   Not Applicable

ANNEXURE TO THE DIRECTORS' REPORT

5. (a) Average net profit of the company as per section 135(5): Rs. 130.02 million
   (b) Two percent of average net profit of the company as per section 135(5): Rs. 2.60 million
   (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
   (d) Amount required to be set off for the financial year, if any: 0.03
   (e) Total CSR obligation for the financial year (b+c-d): Rs. 2.57 million (Rs. 2.60 million approved by CSR Committee)

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) - Rs. 2.57 million
   (b) Amount spent in Administrative Overheads – NIL
   (c) Amount spent on Impact Assessment, if applicable – NA
   (d) Total amount spent for the Financial Year [(a)+(b)+(c)] - Rs. 2.57 million
   (e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (Rs. In million)	Amount Unspent (Rs. In million) : NIL				
	Total Amount transferred to Unspent CSR Account as per section 135 (6)		**Amount transferred to any fund specified under Schedule VII as per second proviso to section 135 (5)**		
	Amount (Rs. In million)	**Date of transfer**	**Name of the Fund**	**Amount**	**Date of transfer**
2.57	NIL	NA	NA	NA	NA

(f) Excess amount for set-off, if any: Rs. NIL

Sl. No.	**Particular**	**Amount (in Rs.)**
i.	Two percent of average net profit of the company as per sub-section (5) of section 135	2.60 million
ii.	Total amount spent for the Financial Year*	2.60 million
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	NIL
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
v.	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	NIL

*Includes excess amount of Rs. 0.03 million spent in financial year 2022-23 and available for set off in financial year 2023-24.

ANNEXURE TO THE DIRECTORS' REPORT

7. Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs.)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs.)	Deficiency, if any
					Amount (in Rs.)	Date of transfer		
1	2022-23	Not applicable						
2	2021-22	Not applicable						
3	2020-21	0.14 million	Nil	Nil	Not applicable			

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135 – Not applicable.

Registered Office
'KCI Plaza'
23-C, Ashutosh Chowdhury Avenue
Kolkata 700 019
Date: 28th May, 2024

For and on behalf of the Board,

N. K. Nolkha
Group Chief Financial Officer

Madhuvanti Kanoria
Chairperson, CSR Committee
DIN:00142146

R. V. Kanoria
Chairman & Managing Director
DIN:00003792

ANNEXURE TO THE DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE YEAR ENDED 31ST MARCH 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Kanoria Chemicals & Industries Limited
KCI Plaza, 6th Floor,
23-C, Ashutosh Chowdhury Avenue, Kolkata - 700019

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kanoria Chemicals & Industries Limited** [hereinafter called **'the Company'**] for the year ended March 31, 2024 [**"Period under Review"**] in terms of Audit Engagement Letter dated 29th May 2023. The secretarial audit was conducted in a manner that provided us with a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the secretarial audit, we hereby report that in our opinion, the Company has, during the Period under Review, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Period under Review, according to the provisions of applicable law provided hereunder:

1. The Companies Act, 2013 ('the Act') and the rules made thereunder including any re-enactment thereof;
2. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment, and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"), to the extent applicable:
    a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
    b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - Not applicable during the Review Period
    e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
6. **Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say:**
    a. Petroleum Act, 1934 read with Petroleum Rules, 2002;
    b. Poison Act, 1919;
    c. Indian Explosives Act, 1884 read with the Explosives Rules, 2008;
    d. The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008;
    e. The Energy Conservation Act, 2001;
    f. The Electricity Act, 2003 along with Indian Electricity Rules, 1956.

We have also examined compliance with the applicable clauses of the Secretarial Standards 1 & 2 issued by the Institute of Company Secretaries of India.

ANNEXURE TO THE DIRECTORS' REPORT

MANAGEMENT RESPONSIBILITY:

Kindly refer to our letter of even date which is annexed as **Annexure 'I'** which is to be read along with and forms an integral part of this report.

We report that during the Audit Period, the Company has complied with the provisions of the Act, rules, regulations, standards etc. mentioned above subject to the observations, if any mentioned in this Report.

The observations, if any mentioned in this report are in addition to the observations and qualifications, if any made by the statutory auditors of the Company or any other professional and the same has not been reproduced herein for the sake of repetition.

We further report that:

The Board of Directors of the Company is duly constituted with a proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. No change took place in the composition of the Board of Directors during the Period under Review except:

Reappointment of Mr. R.V. Kanoria (DIN: 00003792) as Managing Director of the Company for a further period of 3 years w.e.f. 10th January 2024 and Mr. S.K. Birla (DIN: 00004213) as Independent Director for the second term.

Adequate notice is given to all directors to schedule the Board Meetings and Committee meetings, agenda and detailed notes on the agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Further, a circular resolution was passed during the Period under Review, a draft resolution with a note setting out the details of the proposal, relevant facts to understand the implications of the proposal and details for signifying assent or dissent of the Director were attached.

Resolutions have been approved by the majority while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company, which commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

We further report that during the Period under Review, the Company has not undertaken any specific events/ actions that can have a major bearing on the Company's compliance responsibility in pursuance of the above-referred laws, rules, regulations, guidelines, and standards, etc.

For M/s Vinod Kothari & Company
Practicing Company Secretaries
Unique Code: P1996WB042300

Pammy Jaiswal
Partner
Membership No.: A48046
CP No.: 18059
UDIN: A048046F000468213
Peer Review Certificate No.: 4123/2023

Place: Kolkata
Date: 28th May, 2024

ANNEXURE TO THE DIRECTORS' REPORT

Annexure I

ANNEXURE TO SECRETARIAL AUDIT REPORT (UN-QUALIFIED)

To,
The Members,
Kanoria Chemicals & Industries Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit. The list of documents for the purpose, as seen by us, is listed in **Annexure II**;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. Our Audit examination is restricted only to legal compliances of the applicable laws to be done by the Company, we have not checked the practical aspects relating to the same.
4. Wherever our Audit has required our examination of books and records maintained by the Company, we have also relied upon electronic versions of such books and records, as provided to us through online communication. We have conducted online and physical verification & examination of records, as facilitated by the Company for the purpose of issuing this Report.
5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as well as the correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns.
6. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
7. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis and sample basis.
8. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices.
9. The contents of this Report have to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/agencies/authorities with respect to the Company.
10. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

ANNEXURE TO THE DIRECTORS' REPORT

Annexure II

LIST OF DOCUMENTS

1. Signed minutes (including draft minutes for the last meeting) of the following::
   a. Board Meeting;
   b. Audit Committee;
   c. Nomination and Remuneration Committee;
   d. Stakeholders Relationship Committee;
   e. Corporate Social Responsibility Committee;
   f. Risk Management Committee meeting;
2. Minutes of the Annual General Meeting
3. Annual Report 2022-23;
4. Notice and Agenda for Board and Committee Meetings
5. Disclosures under Act, 2013 and Listing Regulations;
6. Forms and Returns files with the ROC;
7. Registers maintained under the Act;
8. Policies framed under Act, 2013 and Listing Regulations;
9. Internal Audit Reports;
10. Disclosures under SEBI (Prohibition of Insider Trading) Regulations, 2015;
11. Disclosures under SEBI (Substantial Acquisition of Shares and Takeover) Regulations.

ANNEXURE TO THE DIRECTORS' REPORT

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014

(A) Conservation of Energy

(i) The steps taken for conservation of energy:

Major energy conservation initiative taken during the financial year 2023-24

- Installation of VFD on Raw water pump in utility, effluent pump in Hexamine, fan in ACM-40 and ID-Fan in Penta plant.
- Nozzle tuning done in BPT-1 to improve power generation.
- Process interlock given in coal boiler vibrating screen for stoppage during ideal run time.
- Installation of smart power optimizer penal in ETP plant to reduce 6% power consumption.
- Reduction of grid power cost by using renewable power in 3rd party agreement is continued.
- Reduction of power consumption in Panel room air conditioning system by reducing cooling area through false ceiling.
- Installation of VFD in DM water pump Hexa effluent pump and methanol pump.
- Installation of hydro turbine to reduce power consumption in cooling tower.

(ii) The steps taken by the Company for continuous utilization of alternate sources of energy: Use of different grades of Briquette in place of Coal in Boiler for steam generation is continued.

(iii) The capital investment on energy conservation equipments: Rs. 1.8 million.

(B) Technology Absorption

(i) The efforts made towards technology absorption: NIL

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution: NIL

(iii) Details of imported technology (imported during the last three years reckoned from the beginning of the financial year): Technology support from M/s. JMF for FD-5 Project at Ankleshwar

(iv) The expenditure incurred on Research and Development:

(Rs. in million)

Revenue Expenditure	2.69

(C) Foreign Exchange Earnings and Outgo

(Rs. in million)

Foreign Exchange earned in terms of actual inflows during the year	428.47
Foreign Exchange outgo in terms of actual outflows during the year	1624.74

Registered Office
'KCI Plaza'
23-C, Ashutosh Chowdhury Avenue
Kolkata 700 019
Date: 5th August, 2024

For and on behalf of the Board,

R. V. Kanoria
Chairman & Managing Director
DIN:00003792

ANNEXURE TO THE DIRECTORS' REPORT

A. Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Ratio of remuneration of each Director to the median remuneration of all employees and percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year:

Sl. No.	Name of Directors and Key Managerial Personnel	Designation	The ratio of remuneration of each Director to the median remuneration of all employees of the Company for the financial year 2023-24	Percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2023-24
1.	Shri R.V. Kanoria	Chairman & Managing Director	1.52	0.39
2.	Shri S. V. Kanoria	Wholetime Director	46.63	(0.06)
3.	Shri Amitav Kothari	Non-Executive Independent Director	0.95	67.44
4.	Shri H.K. Khaitan	Non-Executive Independent Director	1.11	9.09
5.	Shri Sidharth Kumar Birla	Non-Executive Independent Director	1.03	21.88
6.	Shri A. Vellayan	Non-Executive Independent Director	0.71	12.50
7.	Smt. Suhana Murshed	Non-Executive Independent Director	0.66	25.00
8.	Smt. Madhuvanti Kanoria	Non-Executive Non-Independent Director	0.69	23.81
9.	Shri N.K. Nolkha	Group Chief Financial Officer	-	8.86
10.	Smt. Neha Saraf	Company Secretary	-	6.72

Notes:

(a) Directors other than the Executive Directors received only the sitting fees during the financial years 2022-23 and 2023-24.

(b) Shri R.V. Kanoria, the Chairman & Managing Director decided to forgo his salary and did not take any remuneration during the years 2022-23 & 2023-24. However, he took only perquisite.

1. The number of permanent employees as on 31st March, 2024 was 382.
2. During the year 2023-24, the median remuneration of the employees as compared to previous year decreased by 6.98%.
3. During the year, the average remuneration of the employees including Key Managerial Personnel decreased by 5.83% as compared to the previous year.
4. During the year, the average remuneration of the employees excluding Key Managerial Personnel decreased by 8.46% and the average remuneration of Key Managerial Personnel increased by 3.10% compared to the previous year.

The remuneration of Directors, Key Managerial Personnel and other employees is in accordance with the Remuneration Policy of the Company.

ANNEXURE TO THE DIRECTORS' REPORT

B. Particulars of employees pursuant to provisions of Section 197 (12) of the Companies Act, 2013, read with Rules 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Top 10 Employees in terms of remuneration drawn

(i) Employees in receipt of remuneration aggregating to not less than Rs. 1.02 Crore per annum or Rs. 8.50 Lakh per month

Sl. No.	Name and Age	Designation	Remuneration (Rs.)	Qualification and Experience	Date of Joining	Last Employment
1.	Saumya Vardhan Kanoria (42 Years)	Wholetime Director	17,694,030	MS in Computer Science (20 Years)	21.08.2006	Morgan Stanley, USA
2.	Ranjeet Singh[&] (55 Years)	Chief Executive-Chemicals Business	8,457,922[1]	B. Sc. (Chemistry), MBA – Marketing (31 Years)	10.10.2018	Jubilant Life Sciences Limited

(ii) Other Employees

Sl. No.	Name and Age	Designation	Remuneration (Rs.)	Qualification and Experience	Date of Joining	Last Employment
3.	Nirmal Kumar Nolkha (57 Years)	Group Chief Financial Officer	9,811,160	B. Com (Hons), ACA (36 Years)	02.04.1991	G. R. Magnets Limited
4.	Prabhu Dayal Sharma (64 Years)	Vice President	5,729,564[2]	B.Com (43 Years)	01.08.1987	Rajasthan Textile Mills, Bhawani Mandhi
5.	Sanjay Kumar Ojha (52 Years)	Chief of Manufacturing & Project-Chemical Business	5,199,464	B.E. (Mechanical) (27 Years)	11.06.2007	United Phosphorus Limited
6.	Anil S. Sodah (49 Years)	Asst. Vice President - Sales & Marketing	4,858,530	Diploma in Chemical Engineering (29 Years)	01.07.2019	Deepak Fertilisers And Petrochemicals Corporation Limited
7.	Anil D. Mishra (52 Years)	Asst. Vice President (EHS & Compliances)	4,625,183	M.Tech-Env. Engineering, PGDIS (Post Diploma Industrial Safety) (28 years)	20.12.2004	Khemani Distilleries Ltd., Daman
8.	Ravish Kumar Mundra (48 Years)	AVP (Accounts & Sales)-Chemical Business	4,015,626	B. Com, ACA (23 Years)	05.02.2007	Gopalakrishnan Aiyer & Co., Vapi
9.	Gurumurthy Shrinivas Yeleswarapu (55 Years)	Sr. General Manager – Marketing	3,494,565	MBA Marketing, B.Sc (MPC) (32 Years)	11.12.2006	Indian Rayon, Veraval (A unit of Aditya Birla Nuvo)
10.	Ashok Kumar Agarwal (59 Years)	Vice President (Accounts)	3,279,680	B.Com (38 Years)	01.08.1986	None

The figures are on mercantile basis.

[&] Mr. Ranjeet Singh resigned w.e.f 1.9.23 and hence figures are provided for part of the year.

[1] Includes Rs. 2,481,542 towards retirement benefits.

[2] Includes Rs. 3,280,724 towards retirement/superannuation benefits.

Notes: Remuneration includes Salary, Commission, House Rent Allowance, Contribution to Provident Fund, Leave Travel Assistance, Medical and other facilities, as applicable.

All the appointments are on employment agreement basis, except for executive Directors which are contractual.

Shri R. V. Kanoria, Chairman & Managing Director is spouse of Smt. Madhuvanti Kanoria, a Director of the Company. Shri S. V. Kanoria, Wholetime Director is son of Shri R. V. Kanoria and Smt. Madhuvanti Kanoria.

For and on behalf of the Board,

Registered Office
'KCI Plaza'
23-C, Ashutosh Chowdhury Avenue
Kolkata-700 019
Date: 5th August, 2024

R.V. Kanoria
Chairman & Managing Director
(DIN:00003792)

REPORT ON CORPORATE GOVERNANCE

INTRODUCTION

Your Company has complied with the provisions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations, 2015").

A Report on the implementation of Corporate Governance by the Company as per the Listing Regulations, 2015 is given below.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is commitment to values and integrity in directing the affairs of the Company. It is an integral part of the Company's strategic management. Its basic tenets – adherence to ethical business practices; delegation; responsibility and accountability; honesty and transparency in the functioning of management and the Board; true, complete and timely disclosures and compliance of law, ultimately result in maximising shareholders value and in protecting the interests of stakeholders.

The Company is committed to and always strives for excellence through adoption of and adherence to good corporate governance in the true spirit.

The Company is guided by a well-balanced Board comprising Directors, who are all outstanding professionals of eminence and integrity. Strategic management by a professional Board is the focal point of the Company's Corporate Governance philosophy and practice.

A core group of top-level executives further strengthens and reinforces the foundation of Corporate Governance in the Company. Competent professionals across the organisation have put in place the best in terms of systems, processes, procedures and technologies.

BOARD OF DIRECTORS

Composition

The Board as on 31st March 2024 consisted of 8 (eight) Directors including 6 (six) Non-executive Directors out of which 5 (five) are Independent Directors. Shri R.V. Kanoria, B.Sc., MBA (Hons.), representing the promoters is holding the executive position and is designated as the Chairman & Managing Director of the Company. He has 50 years of industrial, managerial, administrative and commercial experience. Shri S. V. Kanoria, an MS in Computer Science having 20 years work experience, is the Wholetime Director of the Company.

During the year under review, the Board met 5 (five) times; on 11th April, 2023, 26th May, 2023, 8th August, 2023, 8th November, 2023 and 14th February, 2024.

The composition of the Board, Directorship, Chairmanship and/or Membership of Committees held as on 31st March 2024 by each Director in the companies including this Company are as under:

Name of Director	Name of the other Indian listed company where directorship held	Category of Directors	Directorship[1] (Including in Indian listed companies)	Committee Membership[2]	Committee Chairmanship[2]
Executive Directors					
Shri R.V. Kanoria (DIN: 00003792)	Nestle India Limited	Non-executive Independent Director	8	6	4
	J K Paper Limited	Non-executive Independent Director			
	Ludlow Jute & Specialties Limited	Non-executive Non-Independent Director			
Shri S. V. Kanoria (DIN: 02097441)	None	NA	4	1	-

Name of Director	Name of the other Indian listed company where directorship held	Category of Directors	Directorship[1] (Including in Indian listed companies)	Committee Membership[2]	Committee Chairmanship[2]
Non-Executive Non-Independent Director					
Smt. Madhuvanti Kanoria (DIN: 00142146)	None	NA	1	-	-
Non-Executive Independent Directors					
Shri Amitav Kothari (DIN:01097705)	Kiran Vyapar Limited	Non-executive Independent Director	3	4	2
Shri H.K. Khaitan (DIN:00220049)	Steel Products Limited	Executive Director	5	6	3
	India Carbon Limited	Non-executive Independent Director			
	Assam Carbon Products Limited	Non-executive Independent Director			
Shri Sidharth Kumar Birla (DIN: 00004213)	Xpro India Limited	Executive Director	4	1	-
Shri A. Vellayan (DIN:00148891)	Coromandel International Limited	Non-executive Chairman (Non-independent)	4	-	-
	NOCIL Limited	Non-executive Independent Director			
Smt. Suhana Murshed (DIN: 08572394)	Xpro India Limited	Non-executive Independent Director	2	-	-

1. This excludes Directorship held in Indian Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.
2. Committee refers to Audit Committee and Stakeholders Relationship Committee.

Notes

i Smt. Madhuvanti Kanoria is the spouse of Shri R. V. Kanoria. Shri S. V. Kanoria, Wholetime Director, is the son of Shri R. V. Kanoria and Smt. Madhuvanti Kanoria. None of the other Directors is related to any other Director on the Board.

ii None of the Directors has any business relationship with the Company.

iii The Company has two woman Directors on its Board of Directors.

iv None of the Directors received any loans and advances from the Company during the year.

v None of the Directors holds Directorships in more than the permissible number of companies under the Companies Act, 2013 or Directorships/Membership/Chairmanship of Board Committees as permissible under Regulations 17A and 26 of the Listing Regulations, 2015. All the Directors have certified that they are not disqualified for appointment as a Director in any company.

vi Additional information pursuant to the Listing Regulations, 2015 in respect of Director seeking appointment/re-appointment is given in the AGM Notice.

The attendance of Directors at the Board Meetings and the Annual General Meeting held during the year 2023-24 is as under:

Name of Director	Category of Directors	Board Meetings held during the year	Attendance at	
			Board Meetings	Last AGM
Shri R.V. Kanoria (DIN: 00003792)	Promoter – Chairman & Managing Director	5	5	Yes
Smt. Madhuvanti Kanoria (DIN: 00142146	Non-Executive Non-Independent Director	5	5	Yes
Shri S. V. Kanoria (DIN: 02097441)	Executive Director	5	5	Yes
Shri Amitav Kothari (DIN:01097705)	Non-Executive Independent Director	5	5	Yes
Shri H.K. Khaitan (DIN:00220049)	Non-Executive Independent Director	5	5	Yes
Shri Sidharth Kumar Birla (DIN: 00004213)	Non-Executive Independent Director	5	5	No
Shri A. Vellayan (DIN:00148891)	Non-Executive Independent Director	5	5	Yes
Smt. Suhana Murshed (DIN:08572394)	Non-Executive Independent Director	5	5	Yes

Equity Shares of the Company held by Directors

The Directors, who held the Equity Shares of the Company as on 31st March 2024 are Shri R.V. Kanoria (461,481), Smt. Madhuvanti Kanoria (498,321), Shri S. V. Kanoria (556,440), Shri A. Vellayan (15,000), Shri H. K. Khaitan (100), Shri Sidharth Kumar Birla (25), Shri Amitav Kothari (4) and Smt. Suhana Murshed (5).

Familiarisation Programmes for Board Members

The Board Members are provided with necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committees, on business and performance updates of the Company. Relevant statutory changes encompassing important laws are regularly made available to the Directors. Efforts are also made to familiarise the Directors about the Company, their roles, rights, responsibility in the Company, nature of the industry in which the Company operates, business model/procedures/ processes of the Company, etc. through various programmes including plant visits. The details of the familiarisation programmes for Independent Directors are put on the website of the Company and can be accessed at the link: https://a.storyblok.com/f/209886/x/174a5373f7/familiarisation-programme-for-independent-directors.pdf

Skills/Expertise/Competence of the Board of Directors

The core skills/expertise/competencies identified by the Board as required in the context of the Company's business(es) for it to function effectively and available with the Directors are as given below:

Sl. No.	Skills / expertise / competencies	Name of Directors
1	Leadership qualities	Sarvashri R.V. Kanoria, Amitav Kothari, H.K. Khaitan, S.K. Birla, A. Vellayan, S.V. Kanoria, Smt. Madhuvanti Kanoria and Smt. Suhana Murshed
2	Industry knowledge and experience	Shri R. V. Kanoria and Shri S. V. Kanoria
3	Financial expertise	Sarvashri R.V. Kanoria, Amitav Kothari, S.K. Birla, A. Vellayan and H.K. Khaitan
4	Risk Management	Sarvashri R.V. Kanoria, Amitav Kothari and H.K. Khaitan
5	Understanding of relevant laws, rules, regulations and policies	Sarvashri R.V. Kanoria, Amitav Kothari, S.K. Birla, A. Vellayan, H.K. Khaitan and Smt. Suhana Murshed
6	Corporate Governance	Sarvashri R.V. Kanoria, Amitav Kothari, S.K. Birla, A. Vellayan, Smt. Madhuvanti Kanoria and Smt. Suhana Murshed
7	Global experience/International exposure	Sarvashri R.V. Kanoria, A. Vellayan, H.K. Khaitan, Smt. Madhuvanti Kanoria and Smt. Suhana Murshed

Responsibilities

The primary role of the Board is to protect and enhance shareholder value. It monitors the effectiveness of the Company's governance practices and makes changes as necessary. The Board exercises independent judgment on corporate affairs. The Board's concentration is also on strategy, policy and control, delegation of power and specifying approvals that remain in the Board's domain besides review of corporate performance and reporting to shareholders. The Board and Management's roles are clearly demarcated.

The Management is required to:

a) provide necessary inputs to assist the Board in its decision making process in respect of the Company's strategies, policies, performance targets and code of conduct;

b) manage day-to-day affairs of the Company to achieve targets and goals set by the Board in the best possible manner;

c) implement all policies and the code of conduct as approved by the Board;

d) provide timely, accurate, substantive and material information, including on all financial matters and any exceptions, to the Board and/or its Committees;

e) ensure strict compliance with all applicable laws and regulations; and

f) implement sound and effective internal control systems.

The management and the conduct of the affairs of the Company lie with the Managing Director who heads the management team. The Managing Director acts as a link between the Board and the Management and is also responsible for leading and evaluating the work of other executives.

Role of Independent Directors

The Independent Directors play an important role in deliberations and decision-making at the Board Meetings and bring to the Company wide experiences in their respective fields. They also contribute in significant measure to Board Committees. Their independent role vis-à-vis the Company means that they have a special contribution to make in situations where they add a broader perspective by ensuring that the interests of all stakeholders are kept in acceptable balance and in providing an objective view in instances where a (potential) conflict of interests may arise between stakeholders.

Meetings of Independent Directors

It is important for the Independent Directors to have separate meetings in order to enable the Board to provide fair judgment in all matters related to the functioning of the Company. The Company's Independent Directors meet at least once in every financial year without the presence of Non Independent Directors or Management Personnel. During the year under review, 1 (one) Meeting of Independent Directors was held on 14th February 2024, wherein the Independent Directors carried out the performance evaluation of the Chairman & Managing Director, Executive Director and other Non Independent Director as well as the Board of the Company. The Meeting also assessed the quality, quantity and timeliness of the flow of information by the Management of the Company to the Board of Directors.

Confirmation of Independence

Based on the declarations received from the Independent Directors, the Board of Directors is of the opinion that they meet the criteria of independence as per Regulation 16(1)(b) of SEBI Listing Regulations and that they are independent of the management.

Certificate of Company Secretary in Practice

A Certificate obtained from a Company Secretary in Practice, confirming that none of the Directors of the Company is debarred or disqualified from being appointed or continuing as Director of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority, is annexed hereto.

Resignation of the Independent Directors during the year

None of the Independent Directors resigned during the Financial Year 2023-24.

BOARD MEETINGS

Selection of Agenda Items for Board Meetings

i) The Company holds a minimum of 4 (four) Board Meetings in each year, which are pre-scheduled after the end of each financial quarter. The gap between two Meetings is not more than 120 days. Apart from the four pre-scheduled Board Meetings, additional Board Meetings are convened by giving appropriate notice to address the specific needs of the Company.

ii) All divisions and departments in the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussion and approval by the Board or by Committees. All such matters are communicated to the Company Secretary in advance so that these may be included in the Agenda for the Board or Committee Meetings.

iii) At the beginning of each meeting of the Board, the Chairman & Managing Director briefs the Board members about the key developments relating to the Company.

iv) At each of the 4 (four) pre-scheduled Board Meetings, managers are invited to make presentations on the major business segments and operations of the Company before taking on record the results of the Company for the preceding financial quarter. Sufficient support information is provided to the Board in advance for all strategic matters of significance pertaining to expansion plans, financing and diversifications. These are discussed and deliberated in detail at the Board level.

v) Among others, the following items are placed at the Board Meetings for the consideration/review/approval of the Board:

- Annual Operating Plans and Budgets and any updates.
- Capital Budgets and any updates.
- Quarterly results of the Company and its Business Segments.
- Minutes of Meetings of the Board and its Committees.
- The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non payment for goods sold by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any Joint Venture or Collaboration Agreement, if any.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property, if any.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc, if any.
- Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

In addition, the other matters requiring the Board's consideration/review/approval, from time to time, are also placed at the Board Meetings. The Board's annual agenda includes recommending dividend (if any), determining Directors who shall retire by rotation and recommending appointment/reappointment of Directors and Auditors, authentication of annual accounts and approving the Directors' Report, long term strategic plans for the Company and the principal issues that the Company expects to face in the future. The Board also considers/approves the other matters as required to be considered/approved by the Board as per the Companies Act, 2013 and the Listing Regulations, 2015. The Board also notes and reviews the functions of the Committees.

The Chairman of the Board and the Company Secretary in consultation with other concerned persons in senior management finalise the agenda papers for the Board Meeting. Directors have access to the Company Secretary's support for all information of the Company and are free to suggest inclusion of any matter in the Agenda.

Board Material Distributed in Advance

i) Agenda Papers are circulated to the Directors in advance. All material information is incorporated in the Agenda Papers for facilitating meaningful and focussed discussions at the Meeting. Where it is not practicable to attach any documents to the Agenda, the same are placed on the table at the Meeting with specific reference to this effect in the Agenda.

ii) In special and exceptional circumstances, additional or supplementary items on the Agenda are permitted to be taken at the Meeting.

Recording Minutes of Proceedings at Board and/or Committee Meetings

The Company Secretary records the minutes of the proceedings of each Board and Committee Meeting. Draft Minutes are circulated to all the members of the Board for their comments. The Minutes of proceedings of a Meeting are entered in the Minutes Book within 30 days from the conclusion of the Meeting.

Compliance

The Company Secretary while preparing the agenda, notes on agenda and minutes of the Meetings, ensures adherence to the applicable provisions of law including the Companies Act 2013, Secretarial Standards and the Listing Regulations, 2015.

BOARD COMMITTEES

To enable better and focussed attention on the affairs of the Company, the Board delegates specific matters to its Committees. These Committees also prepare the groundwork for decision-making and report at the subsequent Board Meetings. No matter, however, is left to the final decision of any Committee, which under the law or the Articles may not be delegated by the Board or may require the Board's explicit approval. Minutes of the Committee Meetings are circulated to all Directors and discussed at the Board Meetings. During the year, all recommendations of the Committees were approved by the Board.

Audit Committee

The Audit Committee comprises of Shri Amitav Kothari, Shri H. K. Khaitan and Shri Sidharth Kumar Birla, Independent Directors, and Shri R. V. Kanoria, Chairman & Managing Director of the Company. Shri Amitav Kothari is the Chairman of the Committee. The Members of the Committee have requisite knowledge of finance, accounts and Company law.

The Audit Committee's constitution, terms of reference and role are in compliance with the Companies Act, 2013 and the Listing Regulations, 2015. The terms of reference of the Audit Committee inter alia include the following:

a) Recommendation for appointment, remuneration and terms of appointment of Auditors of the company;

b) Approval of payment to Statutory Auditors for rendering of any other services;

c) Review and monitor the Auditor's independence and performance, and effectiveness of audit process and adequacy of Internal Control Systems;

d) Review with the Management, the Annual Financial Statement and the Auditors Report thereon before submission to the Board for approval, with particular reference to: (a) matters required to be included in the director's responsibility statement; (b) changes, if any, in accounting policies and practices and reasons for the same; (c) major accounting entries involving estimates based on the exercise of judgment by management; (d) significant adjustments made in the financial statements arising out of audit findings; (e) compliance with listing and other legal requirements relating to financial statements; (f) disclosure of any related party transactions; (g) modified opinion(s) in the draft audit report;

e) Reviewing with the Management, the quarterly Financial Statement before submission to the Board for approval;

f) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

g) Approval or any subsequent modification of transactions of the Company with related parties;

h) Scrutiny of inter-corporate loans and investments;

i) Valuation of undertakings or assets of the Company, wherever it is necessary;

j) Evaluation of internal financial controls and risk management systems;

k) Monitoring the end use of funds raised through an issue and related matters;

l) Review of appointment, removal and terms of remuneration of Internal Auditor;

m) Review of Internal Audit Reports, discussion with Internal Auditors and follow up of any significant findings therein;

n) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

o) Review the functioning of the Whistle Blower mechanism;

p) Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

q) Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

r) Review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary as prescribed.

s) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholder;

t) Review management discussion and analysis of financial condition and results of operations;

u) Review management letters / letters of internal control weaknesses issued by the statutory auditors;

v) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

w) Review statement of deviations;

x) Approve appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function).

y) To carry out any other function as may be referred, from time to time, by the Board of Directors or enforced by any statutory notification/amendment or modification as may be applicable.

The Company Secretary acts as the Secretary of the Audit Committee.

During the financial year 2023-24, the Committee met 5 (five) times; on 11th April, 2023, 26th May, 2023, 8th August, 2023, 8th November, 2023 and 14th February, 2024, wherein all the members were present.

The Chairman of the Audit Committee was present at the last Annual General Meeting held on 8th September 2023.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises of Shri H. K. Khaitan and Shri Amitav Kothari, Independent Directors and Shri S. V. Kanoria, Wholetime Director of the Company. Shri H. K. Khaitan is the Chairman of the Committee.

The Committee's constitution, terms of reference and role are in compliance with the Companies Act, 2013 and the Listing Regulations, 2015, which comprise the following:-

- To approve and authorise issuance of share certificates for sub-division, split, consolidation, renewal, issuance of duplicates thereof or issuance of new certificates, in cases of loss or old decrepit or worn out certificates;
- To consider and resolve the grievances of security holders of the Company including complaints related to transfer / transmission of shares, non- receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.;
- Review the measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports/ statutory notices by the shareholders of the Company;
- To delegate powers of the above acts to any executive of the Company or to the Registrar and Transfer Agents (RTA) of the Company;
- To carry out any other function as may be referred to by the Board of Directors from time to time or enforced by any statutory notification/amendment or modification as may be applicable.

Neha Saraf, Company Secretary, is the Compliance Officer of the Company under the relevant regulations.

The Chairman of the Stakeholders Relationship Committee was present at the last Annual General Meeting held on 8th September 2023.

During the year, no complaint was received and hence no complaint was pending for resolution at the end of the year.

During the financial year 2023-24, one Meeting of the Committee was held on 14th February 2024, wherein all the members were present.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company comprises of Shri H. K. Khaitan, Shri Sidharth Kumar Birla, Shri A. Vellayan, Independent Directors, and Shri R. V. Kanoria, Chairman & Managing Director of the Company. Shri H. K. Khaitan is the Chairman of the Committee.

The Nomination and Remuneration Committee's constitution, terms of reference and roles are in compliance with the Companies Act, 2013 and the Listing Regulations, 2015. The terms of reference of the Nomination and Remuneration Committee inter alia include the following:-

i Identification of persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.

ii Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees and ensure that:-

   a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully;

   b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

   c. remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

iii To formulate criteria for performance evaluation of Independent Directors and the Board;

iv Devising a policy on Board diversity;

v To recommend to the Board, whether to extend or continue the term of appointment of Independent Director;

vi To recommend to the Board, remuneration payable to senior management.

vii To carry out any other function as may be referred, from time to time, by the Board of Directors or enforced by any statutory notification/amendment or modification as may be applicable.

The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting held on 8th September 2023.

During the financial year 2023-24, the Committee met 2 (two) times; on 26th May, 2023 and 8th November, 2023.

Attendance of Members at Nomination and Remuneration Committee Meetings held during the year 2023-24:

Name of Director	No. of Meetings attended
Shri R. V. Kanoria	2
Shri H.K. Khaitan	2
Shri Sidharth Kumar Birla	2
Shri A Vellayan	1

The Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, has formulated a Nomination and Remuneration Policy, which contains the matters with regard to criteria for appointment of Directors and determining Directors independence and policy on remuneration for Directors, Senior Managerial Personnel and other employees.

Criteria for Appointment of Directors

In evaluating the suitability of a person and recommending to the Board his / her appointment as a Director of the Company, the Nomination and Remuneration Committee may take into account and ascertain factors such as:

i Personal and professional ethics, integrity and values

ii Educational and professional background

iii Willingness to devote sufficient time and energy in carrying out the duties and responsibilities effectively.

Nomination and Remuneration Policy

The Company's Nomination and Remuneration Policy has been formulated, keeping in view the following guiding principles:-

i Ensuring that the remuneration and other terms of employment are as per the trends and practices prevailing in peer companies and the industry.

ii Providing reward commensurate with the efforts, dedication and achievement in performance of duty.

iii Attracting, retaining, motivating and promoting talent and ensuring long term sustainability of talented personnel and create competitive advantage.

The Nomination and Remuneration Policy is in consonance with the existing Industry practice.

The Managing Director and Wholetime Director are paid remuneration as per their agreements with the Company. These agreements are approved by the Board, on the recommendation of the Nomination and Remuneration Committee, and then also placed before the shareholders for their approval. The remuneration structure of the Managing Director and the Wholetime Director comprises salary, perquisites, other benefits and commission (payable on the net profits of the Company, calculated as per the applicable provisions of the Companies Act, 2013). The Managing Director and Wholetime Director are not paid sitting fee for attending Meetings of the Board or Committees thereof.

Non-Executive/Independent Directors receive remuneration by way of fees for attending Meetings of Board or Committee thereof, as fixed by the Board of Directors from time to time, within the limits as prescribed under the applicable law. They are paid a sitting fee of Rs. 50,000/- for attending each Board Meeting. The sitting fee for attending each Audit Committee Meeting and Nomination and Remuneration Committee Meeting is Rs. 20,000/- and it is Rs. 5,000/- for attending each Meeting of other Committees. Non-Executive/Independent Directors are also reimbursed for expenses incurred for participation in Meetings of the shareholders, the Board of Directors or Committee thereof or for any other purpose in connection with the business of the Company. There is no other pecuniary relationship or transactions of the Non-Executive Directors with the Company. There are no stock option benefits to any of the Directors. The Criteria for making payments to Non-Executive/Independent Directors is updated on the website of the Company at:
https://a.storyblok.com/f/209886/x/e03fd10ecb/criteria-payments-to-ned.pdf

The remuneration of the Senior Management Personnel of the Company is guided by the competitiveness and is based on the individual person's key responsibilities and performance. They may receive variable pay in addition to fixed salaries. The performance-based pay to the SMP, including revisions, if any, would be based on the individual's performance related to the fulfilment of various improvement targets or the attainment of certain objectives.

The other employees' remuneration is determined within the appropriate grade and is based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

The Nomination and Remuneration Policy may be accessed at the Company's website at the link:
https://a.storyblok.com/f/209886/x/d31aa193a6/nomination-and-remuneration-policy.pdf

Criteria for Performance Evaluation of Directors

The criteria for performance evaluation of Directors among others includes factors such as preparation, participation, engagement, personality and conduct, value addition, strategic planning and vision, team spirit and consensus building, leadership quality, understanding and focus on key business issues, independent thinking and judgment, quality of analysis, experience and business wisdom, management qualities, awareness, motivation, integrity, ethics and receptivity.

Details of Remuneration paid or payable to Directors for the Financial Year ended 31st March, 2024

(Figures in Rupees)

Name of Director	Salary	Perquisites and other benefits	Commission	Sitting Fees*	Total
Shri R.V. Kanoria@	-	5,76,932	-	-	5,76,932
Shri Amitav Kothari	-	-	-	3,60,000	3,60,000
Shri H.K. Khaitan	-	-	-	4,20,000	4,20,000
Shri Sidharth Kumar Birla	-	-	-	3,90,000	3,90,000
Shri A. Vellayan	-	-	-	2,70,000	2,70,000
Smt. Madhuvanti Kanoria	-	-	-	2,60,000	2,60,000
Smt. Suhana Murshed	-	-	-	2,50,000	2,50,000
Shri S. V. Kanoria	91,20,000	85,74,030	-	-	1,76,94,030

* Includes Sitting Fee paid for Board and Committee Meetings

@ Shri R. V. Kanoria voluntarily decided to forgo his salary during the financial year 2023-24.

Details of Agreement

Name	From	To	Tenure
Shri R.V. Kanoria - Managing Director#	10.01.2024	09.01.2027	3 Years
Shri S. V. Kanoria - Wholetime Director	01.04.2022	31.03.2025	3 Years

Re-appointed for three years with effect from 10th January, 2024, by the Shareholders, through Postal Ballot on 29th December, 2023

For termination of agreement, the Company and the Wholetime Director are required to give a notice of three months or three months' salary in lieu thereof.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprises of Smt. Madhuvanti Kanoria, Non Executive Director, Shri R. V. Kanoria, Managing Director and Shri H. K. Khaitan, Independent Director. Smt. Madhuvanti Kanoria is the Chairperson of the Committee.

The Committee's constitution, terms of reference and role are in compliance with the provisions of the Companies Act, 2013.

The terms of reference of the Corporate Social Responsibility Committee comprise the following:-

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas or subject as specified in Schedule VII of the Companies Act, 2013 and rules made there under and review thereof (as amended from time to time).
- To recommend the amount of expenditure to be incurred on the activities in a financial year.
- To monitor the Corporate Social Responsibility Policy of the Company from time to time.
- Any other matter/thing as may be considered expedient by the Members of the Committee in furtherance of and to comply with the CSR Policy of the Company.

Role of the CSR Committee:-

- The Committee will carry out any other function as may be referred from time to time by the Board of Directors or enforced by any statutory notification/amendment or modification as may be applicable.
- The CSR Committee will review the implementation of the CSR Programmes and issue necessary direction from time to time to ensure orderly and efficient execution of the CSR programmes in accordance with the Policy. The Committee will keep the Board apprised of the status of the implementation of CSR activities.

During the financial year 2023-24, the Committee met two times; on 26th May, 2023 and 8th August, 2023, wherein all the Members were present.

The CSR Policy may be accessed at the Company's website at the link: https://a.storyblok.com/f/209886/x/656982d5c3/corporate-social-responsibility-policy.pdf

Committee of Directors

The Board of Directors renamed the existing Finance Committee of the Company as the "Committee of Directors" of the Company with effect from 14th February, 2024.

The Committee of Directors comprises of Shri R.V. Kanoria, Managing Director, Shri H.K. Khaitan, Shri Amitav Kothari, Independent Directors and Shri S. V. Kanoria, Wholetime Director. Shri R. V. Kanoria is the Chairman of the Committee.

The Committee determines on behalf of the Board, the matters relating to Debentures, Term Loans, Commercial Paper and any other types of financial assistance from Financial Institutions, Banks, Mutual Funds and others, creation of securities and allotment of securities etc. and other matters related and incidental therewith.

In addition, the Committee also carries out any other function as may be referred from time to time by the Board of Directors.

During the financial year 2023-24, one Meeting of the Committee was held on 18th March, 2024, wherein all the members were present.

Risk Management Committee

The Risk Management Committee of the Company comprises Shri R. V. Kanoria, Managing Director, Shri S. V. Kanoria, Wholetime Director, Shri H. K. Khaitan, Independent Director and Shri N.K. Nolkha - Group Chief Financial Officer. Shri R. V. Kanoria is the Chairman of the Committee.

The terms of reference of the Risk Management Committee inter alia include the following:-

(1) To formulate a detailed risk management policy which shall include:-
   - A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
   - Measures for risk mitigation including systems and processes for internal control of identified risks.
   - Business continuity plan.

(2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(5) To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken.

During the year under review, the Committee met two times; on 18th July, 2023 and 12th January 2024 wherein all the Members were present.

PARTICULARS OF SENIOR MANAGEMENT

The particulars of senior management as per Regulation 16(1) (d) of the Listing Regulations including the changes since the close of the previous financial year is as under:

Name	As on 31.03.2024	As on 31.03.2023
Nirmal Kumar Nolkha	✓	✓
Neha Saraf	✓	✓
Sanjay Kumar Ojha	✓	✓
Anil Sushil Sodah	✓	✓
Anil D. Mishra	✓	✓
Ravish Kumar Mundra	✓	✓
Rajesh Madhogaria	✓	✓
Ranjeet Singh	✗	✓
Prabhu Dayal Sharma	✗	✓
Vudamala Kishore Kumar	✗	✓

COMPLAINTS PERTAINING TO SEXUAL HARASSMENT

There was no complaint pertaining to sexual harassment filed with the Complaint Redressal Committee of the Company during the financial year 2023-24 and no complaint was pending at the end of the year.

GENERAL BODY MEETINGS

The last three Annual General Meetings of the Company were held as per details given below:

Year	Date	Time	Venue	No. of Special Resolution(s) passed
2022-23	8th September 2023	11.00 A. M.	At the registered Office (deemed venue) of the Company – Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	-
2021-22	1st September 2022	11.00 A. M.		-
2020-21	16th September 2021	11.00 A. M.		1

POSTAL BALLOT

During the year, the Company passed the following special resolutions vide Postal Ballot:

1) **Special Resolution for re-appointment of Shri Sidharth Kumar Birla as an Independent Director for a second term of 5 years with effect from 18th May, 2023, vide Postal Ballot through electronic e-voting, on 15th May, 2023.**

   As per the relevant circulars of the MCA and SEBI, the Postal Ballot Notice was sent electronically to those Members of the Company whose e-mail addresses were registered with the Company/Registrar and Share Transfer Agent/Depository Participants as on Friday the 7th April, 2023, being the cut-off date for e-voting.

   The postal ballot process was undertaken in accordance with the provisions of Sections 102, 110 of the Companies Act, 2013 ("the Act") read with Rule 22 of the Companies (Management and Administration) Rules, 2014. Shri Amit Choraria, a Practising Chartered Accountant was appointed as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner and to report thereon.

The remote e-voting period commenced from 9.00 A.M. (IST) on Sunday, the 16th April, 2023 and ended at 5.00 P. M. (IST) on Monday, the 15th May, 2023.

Based on the Scrutinizer's Report, results of the Postal Ballot through e-voting was declared on 15th May, 2023 at the Registered Office of the Company. The resolution was passed with the requisite majority. The details of the Postal Ballot Voting through e-voting are given below:

Voting Result of Special Resolution for re-appointment of Shri Sidharth Kumar Birla as an Independent Director for a second term of 5 years with effect from 18th May, 2023

Valid votes cast in favour of the resolution – 99.9982%

Valid votes cast against the resolution – 0.0018%

2) **Special Resolution for re-appointment of Shri Rajya Vardhan Kanoria as Managing Director of the Company for a period of 3 years w.e.f. 10th January, 2024, through Postal Ballot through electronic e-voting, on 29th December, 2023.**

As per the relevant circulars of the MCA and SEBI, the Postal Ballot Notice was sent electronically to those Members of the Company whose e-mail addresses were registered with the Company/Registrar and Share Transfer Agent/Depository Participants as on Friday the 24th November, 2023, being the cut-off date for e-voting.

The postal ballot process was undertaken in accordance with the provisions of Sections 102, 110 of the Companies Act, 2013 ("the Act") read with Rule 22 of the Companies (Management and Administration) Rules, 2014. Shri Amit Choraria, a Practising Chartered Accountant was appointed as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner and to report thereon.

The remote e-voting period commenced from 9.00 A.M. (IST) on Thursday, the 30th November, 2023 and ended at 5.00 P. M. (IST) on Friday, the 29th December, 2023.

Based on the Scrutinizer's Report, results of the Postal Ballot through e-voting was declared on 29th December, 2023 at the Registered Office of the Company. The special resolution was passed with the requisite majority. The details of the Postal Ballot Voting through e-voting are given below:

Voting Result of Special Resolution for re-appointment of Shri Rajya Vardhan Kanoria as Managing Director of the Company for a period of 3 years w.e.f. 10th January, 2024

Valid votes cast in favour of the resolution – 99.9954%

Valid votes cast against the resolution – 0.0046%

The same is also updated on the website of the Company at: https://www.kanoriachem.com/investors/postal-ballot/

None of the businesses proposed to be transacted at the ensuing Annual General Meeting requires passing a resolution through Postal Ballot.

DISCLOSURES:

SUBSIDIARY COMPANIES

The Audit Committee reviews the financial statements, particularly the investments made by the subsidiary companies. The minutes of the Board Meetings of the subsidiary companies are placed at the Board Meetings of the Company.

The Policy for determining Material Subsidiaries as approved by the Board may be accessed on the Company's website at the link:
https://a.storyblok.com/f/209886/x/234f08894e/policy-for-determining-material-subsidiaries.pdf

RELATED PARTY TRANSACTIONS

During the year under review, the Company had not entered into any material transaction with any of its related parties. All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis.

None of the transactions with any of the related parties were in conflict with the Company's interest. Suitable disclosure as required by the Indian Accounting Standards (Ind AS 24) has been made in the Note No. 43 to the Standalone Financial Statements, forming part of the Annual Report. There are no pecuniary relationships or transactions with the non-executive Director and Independent Directors.

The Policy on Related Party Transactions as approved by the Board of Directors may be accessed on the Company's website at the link:
https://a.storyblok.com/f/209886/x/aa1b855e02/policy-on-related-party-transactions.pdf

COMPLIANCE OF MATTERS RELATED TO CAPITAL MARKETS

There has been no non-compliance, penalties or strictures imposed on the Company by Stock Exchanges or SEBI or any other Statutory Authorities, on any matter connected to capital markets relating to the last three years, except payment of settlement amount of Rs. 1.91 million by the Company during the year 2021-22 to SEBI as per SEBI's Settlement Order relating to non-closure of Trading Window in the year 2011-12, pursuant to the erstwhile SEBI (Prohibition of Insider Trading) Regulation, 1992.

WHISTLE BLOWER POLICY

In compliance with provisions of Section 177(9) of the Companies Act, 2013 and the Listing Regulations, 2015, the Company has in place a Whistle Blower Policy for its Directors, employees and any other stakeholder to report concerns about unethical behaviour, actual or suspected fraud or violation of applicable laws and regulations and the Company's Codes of Conduct or policies and leak or suspected leak of unpublished price sensitive information of the Company.The concerns may be reported to the Audit Committee through the Nodal Officer and, in exceptional cases, may also be reported to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee. The Whistle Blower Policy of the Company may be accessed on the Company's website at the link: https://a.storyblok.com/f/209886/x/6e33061fc5/whistle-blower-policy.pdf

MEANS OF COMMUNICATION

The Company makes timely disclosures of required information to the Stock Exchanges in terms of the Listing Regulations and other applicable rules and regulations issued by the SEBI.

The quarterly and annual financial results were taken on record and approved within the prescribed time limits. The approved results were thereafter sent to the Stock Exchanges and also posted on website of the Company for the information of shareholders/investors.

The financial results were also published in English and vernacular (Bengali) language newspapers within 48 hours of the Meeting and were displayed on website https://www.kanoriachem.com/investors/newspaper-publications/

The Company issues official press releases to the print media from time to time.

The Company has its own website www.kanoriachem.com where information about the Company is displayed and regularly updated. An e-mail ID investor@kanoriachem.com has been created and displayed on the Company's website for the purpose of interaction including registering complaints by the investors.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis is a part of the Annual Report.

CEO AND CFO CERTIFICATION

As required under Regulation 17(8) of the Listing Regulations, 2015, the Managing Director and the Group Chief Financial Officer of the Company have certified to the Board regarding review of financial statement for the year under review, compliance with the accounting standards and applicable laws and regulations, maintenance of internal control for financial reporting and accounting policies.

CODE OF CONDUCT

The Company has Codes of Conduct for its Directors and Senior Management Personnel as well as for its other Employees. The Codes of Conduct are available on the Company's website at https://www.kanoriachem.com/investors/code-of-conduct/

It is confirmed that all the Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Company's Code of Conduct for Directors and Senior Management Personnel for the financial year 2023-24, as required under Regulation 26(3) of the Listing Regulations, 2015 and a declaration to this effect signed by the Chairman & Managing Director forms part of the Annual Report.

MECHANISM TO PREVENT INSIDER TRADING

In pursuance of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has framed a Code of Conduct to regulate, monitor and report trading by Designated Persons, which inter alia, prohibits trading in the shares of the Company by the Designated Persons, while in possession of unpublished price sensitive information in relation to the Company.

TRANSFER OF SHARES/UNCLAIMED DIVIDEND TO IEPF AUTHORITY

As required under Section 124(6) of the Companies Act, 2013, during the year, the Company has transferred 15,673 Equity Shares of Rs. 5/- each of the Company, on which dividend has remained unclaimed/unpaid for a continuous period of 7 years or more, to the Demat Account of the Investor Education and Protection Fund (IEPF) Authority.

During the year under review, the Company has deposited unclaimed dividend of Rs. 554,901/- for the year 2015-16 to the Investor Education and Protection Fund on 12th October, 2023, pursuant to Section 125 of the Companies Act, 2013 read with allied rules.

UNCLAIMED SHARES

Pursuant to Regulation 39 of the Listing Regulations, 2015, for the unclaimed shares issued in physical form and remaining unclaimed, the Company has a separate "Unclaimed Suspense Account." The particulars of Unclaimed Suspense Account are as follows:

Particulars	No. of Shareholders	No. of Shares
Aggregate number of shareholders and outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year	11	7,542
Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year	1	336
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	1	336
Number of shares transferred to the Demat Account of the Investor Education and Protection Fund (IEPF) Authority, as required under Section 124(6) of the Companies Act, 2013	3	1,491
Aggregate number of shareholders and outstanding shares lying in the Unclaimed Suspense Account at the end of the year. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.	7	5,715

TOTAL FEES PAID TO AUDITOR

Total fees for all the services paid by the Company to the Statutory Auditor during the year under review amounted to Rs. 2.39 million. None of the subsidiary companies has paid any fee to the Company's Statutory Auditor or any of its network firm.

RECOMMENDATIONS OF THE COMMITTEES

During the year, the Board of Directors has accepted all the recommendations of the Committees of the Board and there have been no instances of non acceptances of any of the Committee recommendations by the Board.

Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which Directors are interested

Loans given by the Company

(Rs. in million)

Name of the entity in which Director is interested	Nature of Interest	Amount
Kanoria Africa Textiles PLC.	Subsidiary	276.28

Loans given by the Subsidiary /Step down Subsidiaries

Entity providing the loan	Entity receiving loan	Amount
APAG Holding, AG*	APAG Elektronik AG, Switzerland	313.46
APAG Holding, AG*	APAG Elektronik s.r.o. Czech Republic	154.61

*APAG Holding, AG is the direct subsidiary of the Company. Others are step down subsidiaries.

Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.

Name	Date of incorporation	Place of incorporation	Name of Statutory Auditors	Date of appointment of Statutory Auditors
APAG Holding AG	13.05.2005	Freienbach, Canton Schwyz, Switzerland	Balmer-Etienne AG	07.04.2016
APAG Elektronik AG	18.11.1975	Freienbach, Canton Schwyz, Switzerland	Balmer-Etienne AG	12.04.2016
APAG Elektronik s.r.o. Czech Republic	14.09.1993	Regional Court in Hradec Králové, Czech Republic	PKF APOGEO Audit	3 years contract until closing 31.3.2025

COMPLIANCE OF MANDATORY AND NON-MANDATORY REQUIREMENTS

The Company has complied with all the mandatory requirements of Corporate Governance specified in the Listing Regulations. The Company has adopted the discretionary requirements specified in Part E of Schedule II of the Listing Regulations as given below:

i) Audit Opinion:

For the year under review, the Auditors have expressed their unmodified opinion on the financial statements of the Company.

ii) Reporting of Internal Auditor:

The Internal Auditor reports directly to the Audit Committee. The same is reported by briefing the Audit Committee through observations, review, comments and recommendations etc. in the Internal Audit Reports by the Internal Auditor of the Company.

COMPLIANCE WITH REGULATIONS 17 TO 27 AND REGULATION 46(2) OF THE LISTING REGULATIONS

The Company has complied with the corporate governance requirements as per Regulation 17 to 27 and website disclosure requirements as per Regulation 46(2) of the Listing Regulations.

COMPLIANCE CERTIFICATE OF THE AUDITORS

The Statutory Auditors' Certificate that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, 2015 is annexed to this Report.

.GENERAL SHAREHOLDERS' INFORMATION

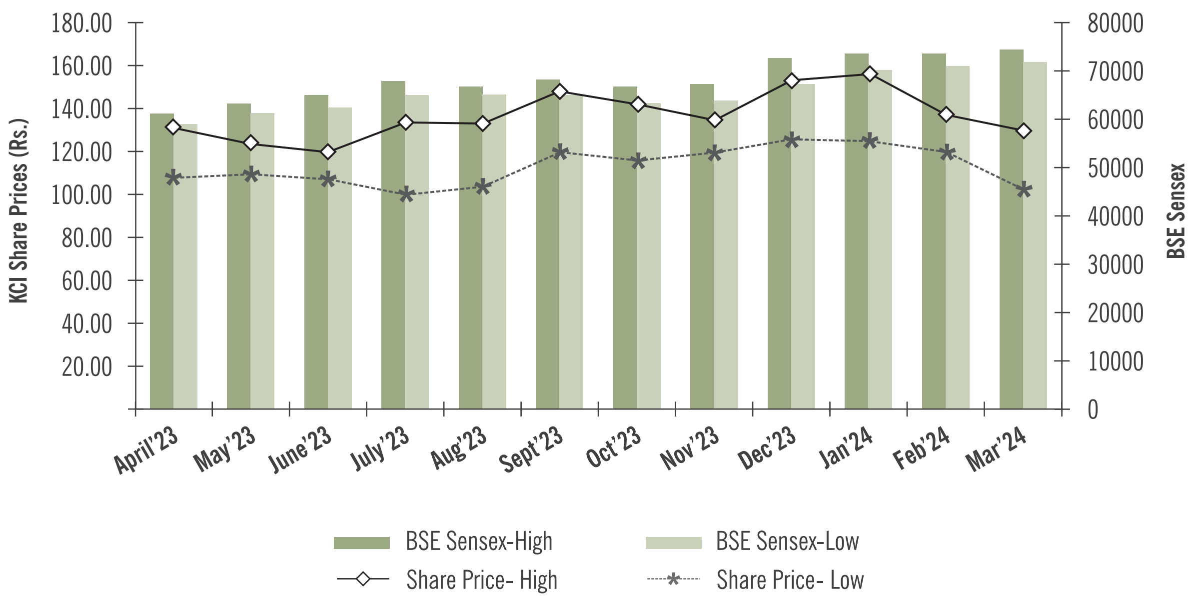
1.	Annual General Meeting • Date and time • Venue/Mode	Monday, the 16th September, 2024 at 11.00 AM Through Video Conferencing (VC) / Other Audio Visual Means (OAVM)
2.	Financial Year Financial Calendar 2024-25 (tentative and subject to change) • Financial Results for the: quarter ending 30th June 2024 quarter ending 30th September 2024 quarter ending 31st December 2024 year ending 31st March 2025 • Annual General Meeting 2024-25	1st April to 31st March)) Within 45 days of end of respective quarter) By 30th May 2025 By September 2025
3.	Date of Book Closure	Not Applicable (Cut off date on 9th September 2024)
4.	Dividend Payment Date	Not Applicable for the Financial Year 2023-24

5.	Listing on Stock Exchanges	National Stock Exchange of India Ltd. 'Exchange Plaza' Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051 www.nseindia.com BSE Limited P. J. Towers, Dalal Street, Fort Mumbai - 400 001 www.bseindia.com Note: Listing fee for the year 2023-24 has been paid to the above Stock Exchanges.
6.	Stock Code: BSE Limited National Stock Exchange of India Limited	 50 6525 KANORICHEM
7.	Stock Price Data (in Rs./per share)	

	Months	BSE*		NSE*	
		High	Low	High	Low
	April 2023	130.65	108.60	128.80	106.80
	May 2023	123.50	110.00	124.55	109.85
	June 2023	120.00	107.55	120.00	109.60
	July 2023	133.50	100.25	133.30	100.00
	August 2023	133.45	104.15	133.80	104.50
	September 2023	147.95	120.00	148.00	120.15
	October 2023	142.50	115.95	140.20	118.25
	November 2023	134.85	119.40	135.15	119.05
	December 2023	152.90	125.75	151.70	126.05
	January 2024	156.30	125.50	157.00	125.20
	February 2024	137.00	120.40	135.90	120.00
	March 2024	129.60	102.00	127.50	101.55

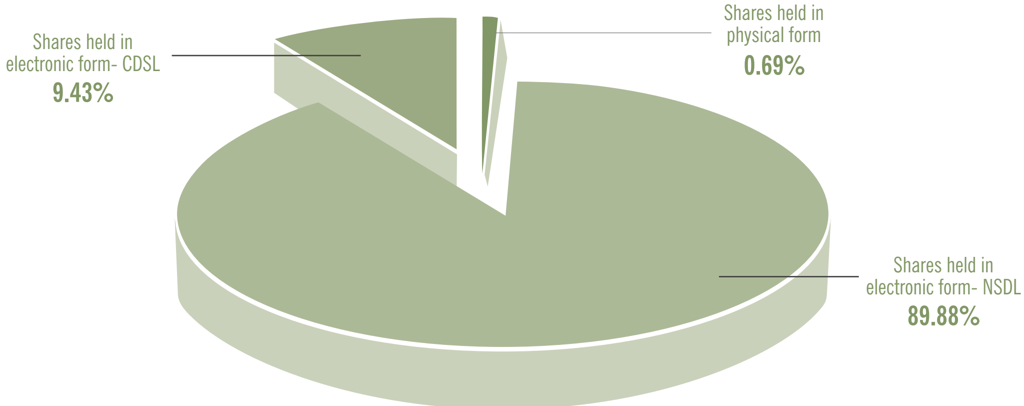
* Source: Website of BSE and NSE

KCI Share Prices/BSE Sensex (Monthly High/Low)



8.	Registrar and Transfer Agent	C B Management Services (P) Limited P-22, Bondel Road, Kolkata – 700 019 Phone : (033) 40116700 Fax : (033) 40116739 Email : rta@cbmsl.com
9.	(a) Share Transfer System	Shareholders' requests for transfer / transmission of Equity shares and other related matters are handled by the Registrar & Share Transfer Agent and are affected within stipulated timelines, if all the documents are valid and in order. Shares of the Company are transferred in dematerialised form.
	(b) Dematerialisation of Shares and liquidity	Depositories: National Securities Depository Limited, Mumbai ("NSDL") and Central Depository Services (India) Limited, Mumbai ("CDSL"). The Equity Shares of the Company are compulsorily traded and settled through Stock Exchanges only in the dematerialised form. Details of shares held in dematerialised form with depositories as on 31st March 2024:- NSDL: 39,273,189 Shares (89.88%) CDSL: 4,121,798 Shares (9.43%) Shares held in Physical form: 298,346 Shares (0.69%) Under the Depository System, International Securities Identification Number (ISIN) allotted to the Company's Equity Shares is INE 138C01024. Shares held in the dematerialised form are electronically transferred by the Depository Participant and the Company is informed periodically by the Depositories about the beneficiary holdings to enable the Company to send corporate communication, dividend etc. The requests received for dematerialisation are processed within a period of 10 days from the date of receipt of request provided they are in order in every respect.

The Company has connectivity with the Depositories, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Annual Custody Fee for the financial year 2023-24 has been paid by the Company to Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL).

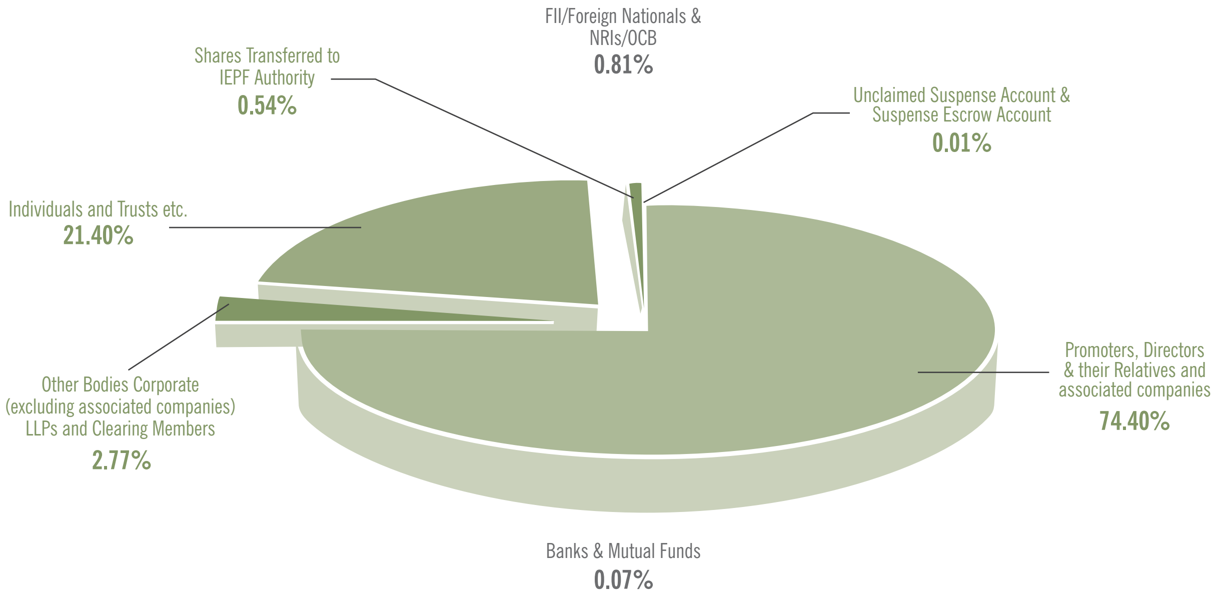


	(c) National Electronic Clearing Service (NECS) for Dividend	Members holding Shares in demat form should ensure that the correct and updated particulars of their Bank Account are available with their Depository Participant (DP) and Members holding Shares in physical form should provide the electronic credit mandate to the Registrar and Share Transfer Agent of the Company. This would facilitate receiving dividend payment through electronic mode from the Company and avoid postal delays and loss in transit.

10.	Distribution of Equity Shareholding as on 31st March 2024				
	Nominal value of Shareholding	**Number of Shareholders**	**% of Shareholders**	**Number of Equity Shares**	**% of Share Capital**
	Up to Rs. 5,000	17,089	92.76	2,812,759	6.44
	Rs. 5,001 - Rs. 10,000	669	3.63	1,001,558	2.29
	Rs. 10,001 - Rs. 20,000	354	1.92	1,007,851	2.31
	Rs. 20,001 - Rs. 30,000	120	0.65	600,644	1.37
	Rs. 30,001 - Rs. 40,000	45	0.24	313,637	0.72
	Rs. 40,001 - Rs. 50,000	43	0.23	408,790	0.94
	Rs. 50,001 - Rs. 1,00,000	51	0.28	755,680	1.73
	Rs. 1,00,001 and above	53	0.29	36,792,414	84.20
	Total	**18,424**	**100.00**	**43,693,333**	**100.00**

11.	Equity Shareholding Pattern as on 31st March 2024		
	Category	**No. of Shares held**	**% of Shareholding**
	Promoters, Directors & their Relatives and associated companies	32,506,880	74.40
	FII/Foreign Nationals & NRIs/OCB	354,365	0.81
	Banks & Mutual Funds	31,425	0.07
	Other Bodies Corporate (excluding associated companies), LLPs and Clearing Members	1,209,807	2.77
	Individuals and Trusts etc.	9,348,862	21.40
	Shares transferred to IEPF Authority	235,379	0.54
	Unclaimed Suspense Account	5,715	0.01
	Suspense Escrow Account	900	-
	Total	**43,693,333**	**100.00**

Graphic Presentation of the Equity Shareholding Pattern as on 31.03.2024



12.	Top Ten Shareholders of the Company as on 31st March 2024		
Sl. No	**Name of Shareholders**	**No. of shares**	**% of shareholding**
i.	Vardhan Limited	26,190,872	59.94
ii.	R V Investment & Dealers Limited	3,210,120	7.35
iii.	Kirtivardhan Finvest Services Limited	1,154,907	2.64
iv.	Sanjiv Dhiresbhai Shah	799,966	1.83
v.	Saumya Vardhan Kanoria	556,440	1.27
vi.	Madhuvanti Kanoria	498,321	1.14
vii.	Vishal Rameshbhai Patel	477,704	1.09
viii.	Rajya Vardhan Kanoria	461,481	1.06
ix.	Anand Vardhan Kanoria	434,739	1.00
x.	Chartered Finance & Leasing Limited	350,000	0.80
	Total	**34,134,550**	**78.12**

13.	Outstanding GDR/ADRs/Warrants or any convertible Instruments, conversion date and likely impact on equity.	The Company has not issued GDRs/ ADRs/ Warrants or any other convertible Instruments.
14.	Commodity Price Risk/Foreign Exchange Risk and Hedging Activities	The Company is affected by the price volatility of methanol, one of its major raw materials. Its operating activities require a continuous supply of methanol. The Company monitors price and demand/supply situation on continuous basis and takes risk mitigation measures for any material adverse effect on the Company. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company monitors the foreign exchange fluctuations on continuous basis and takes risk mitigation measures for any material adverse effect on the Company. The Company enters into forward exchange contracts against its foreign currency exposure relating to underlying liabilities and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes. The details of foreign currency exposure as on 31st March, 2024 are disclosed in Note No. 41 to the Standalone Financial Statements.
15.	Credit Ratings and any revisions thereto for any debt instruments or any fixed deposit programme or any scheme or proposal involving mobilisation of funds, whether in India or abroad.	The Company has not issued any debt instrument and does not have any fixed deposit programme or any scheme or proposal involving mobilisation of funds, whether in India or abroad. Care Ratings Limited has revised the rating for the long-term bank facilities of the Company as CARE BBB; Stable (Triple B; Outlook: Stable) from the existing rating of CARE BBB+; Stable (Triple B Plus; Outlook: Stable) and rating for the short-term bank facilities as CARE A3+ (A Three Plus) from the existing rating of CARE A2 (A Two).

16.	Details of utilization of funds raised through Preferential Allotment or Qualified Institutions Placement as specified under Regulation 32(7A) of the SEBI Listing Regulations.	Not Applicable
17.	Disclosure of certain agreements binding listed entities	There are no such agreements
18.	Plant Locations	**I. Alcochem Ankleshwar Division** Ankleshwar Chemical Works, 3407, GIDC Industrial Estate, P.O. Ankleshwar - 393 002, Dist. Bharuch (Gujarat). **II. Alcochem Vizag Division** Plot No.32, Jawaharlal Nehru Pharma City, Parwada, Vishakhapatnam - 531 021, Andhra Pradesh **III. Alcochem Naidupet Division** Plot No. 50 and 51, Block - C, Industrial Park, Menakur Village, Naidupet - 524 421, Dist. Nellore, Andhra Pradesh **IV. Solar Power Plant** Vill. Bawdi Barsinga, P.O. Bap, Tehsil: Phalodi, Dist. Jodhpur (Rajasthan)
19.	Address for Correspondence: For Investors' matters	*Company Secretary:* Kanoria Chemicals & Industries Limited 'KCI Plaza', 23C, Ashutosh Chowdhury Avenue, Kolkata-700 019 Phone : (033) 4031 3200 Email: neha.saraf@kanoriachem.com Website: http://www.kanoriachem.com
	For queries relating to Financial Statements	*Group Chief Financial Officer:* Kanoria Chemicals & Industries Limited 'KCI Plaza', 23C, Ashutosh Chowdhury Avenue, Kolkata-700 019 Phone: (033) 4031 3200 Email: nolkha@kanoriachem.com Website: http://www.kanoriachem.com

Registered Office
'KCI Plaza'
23-C, Ashutosh Chowdhury Avenue
Kolkata - 700 019
Date: 28th May, 2024

For and on behalf of the Board,

R. V. Kanoria
Chairman & Managing Director
DIN:00003792

DECLARATION AFFIRMING COMPLIANCE WITH THE CODE OF CONDUCT

(Regulation 34, read with Schedule V (D) of the
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

This is to confirm that the Company has adopted a Code of Conduct for its Directors and Senior Management Personnel ("Code") and that the same is available on the website of the Company, www.kanoriachem.com

I hereby declare that all the Board Members and Senior Management Personnel have affirmed their compliance with the aforesaid Code for the Financial Year ended 31st March 2024.

Registered Office
'KCI Plaza'
23-C, Ashutosh Chowdhury Avenue
Kolkata - 700 019
Date: 28th May, 2024

For and on behalf of the Board,

R. V. Kanoria
Chairman & Managing Director
DIN:00003792

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause 10(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

In pursuance of sub clause (i) of clause 10 of Para C of Schedule V of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) in respect of KANORIA CHEMICALS & INDUSTRIES LTD (CIN: L24110WB1960PLC024910), we hereby certify that:

On the basis of the written representation/declaration received from the directors and taken on record by the Board of Directors, as on March 31, 2024, none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For N.K & Associates
Company Secretaries

Navin Kothari
Proprietor
FCS No.:5935 CP No.:3725
Peer Review No.: 1384/2021
UDIN: F005935F000320150

Place: Kolkata
Dated: 06.05.2024

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF
KANORIA CHEMICALS & INDUSTRIES LIMITED

1. We have examined the compliance of conditions of Corporate Governance by **Kanoria Chemicals & Industries Limited** ("the Company"), for the year ended on 31st March, 2024, as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of Regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Corporate Governance Report.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of Regulation 46(2) and para C, D and E of Schedule V to the Listing Regulations during the year ended 31st March, 2024.

Other Matters and Restriction on Use

8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.
9. This Report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

For Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E

Rajiv Singhi
Partner
Membership No.: 053518
UDIN: 24053518BKGXUP3433

Place: Kolkata
Dated: 28th day of May, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of

KANORIA CHEMICALS & INDUSTRIES LIMITED

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying standalone financial statements of **M/S. KANORIA CHEMICALS & INDUSTRIES LIMITED** ("the Company"), which comprises the Balance Sheet as at March 31, 2024, the Statement of Profit & Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of material 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 March 31, 2024 and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 there under, 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 opinion on the standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report:

Sl. No.	Key Audit Matter	Auditor's Response
1	**Investment in Subsidiaries** The company carries its investments in two foreign subsidiaries at cost, adjusted for impairment if any. At 31st March 2024, total investments amounted to Rs. 1938.81 million, the amount is significant to the financial statements. Moreover, the testing of impairment exercise involves the use of estimates and judgments. The identification of impairment events and the determination of an impairment charge also require the application of significant judgments by management, in particular with respect to the timing, quantity and estimation of future cash flows. In view of the significance of the investments and the above, we consider investment valuation/impairment to be a significant key audit matter.	Besides obtaining an understanding of management's process and controls with regard to testing the investment for impairment, our audit procedures comprised, amongst others: • We have assessed the valuation methodology used by management and the requirements in Ind AS and tested the inputs used • Our audit response also consisted of analysing the possible indications of impairment and discussed them with management. • We have discussed the forecasted results of the investments with management and also reviewed the substantiation of the forecasts based on historical information. • We have reviewed the market value of assets provided by the management based upon prevalent market conditions and evidences of the market value of the assets.

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 Annual Report, but does not include 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.

INDEPENDENT AUDITOR'S REPORT

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE 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, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the relevant rules, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are 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 standalone 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 standalone 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 standalone 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 of 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 interests of such communication.

INDEPENDENT AUDITOR'S REPORT

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 Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order..

2) As required by section 143(3) of the Act, we report that:

   a). We have sought and obtained all the information and explanations which to the best of our knowledge and belief are necessary for the purpose 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, Statement of Profit & Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows 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 Indian Accounting Standards specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

   e). On the basis of written representations received from the Directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 with reference to the standalone financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

   g). In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V to the Act; and

   h). With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

      i) The Company has disclosed the impact of pending litigations as at March 31, 2024 on its financial position in its Standalone financial statements - Refer Note No. 32 to the 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, except for Rs. 1.68 million which is held in abeyance due to pending legal cases.

      iv) a. The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to accounts, during the year no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("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 (Refer Note 52 to the standalone financial statements).

      b. The management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, during the year no funds have been received by the Company from any persons or entities, including foreign entities ("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 (Refer Note 53 to the standalone financial statements).

      c. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under paragraph (2) (h) (iv) (a) & (b) above, contain any material mis-statement.

      v) The Company has not declared any dividend in previous financial year which has been paid in current year. Further, no dividend has been declared in current year. Accordingly, the provision of section 123 of the Act is not applicable to the company.

      vi) Based on our examination, which included test checks, the Company has used accounting software and payroll application for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software/application. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

For Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E

Rajiv Singhi
Partner
Membership No.: 053518
UDIN: 24053518BKGXUN8830

Place: Kolkata
Dated: 28th day of May, 2024

ANNEXURE A
TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Kanoria Chemicals & Industries Limited of even date)

i. In respect of the Company's fixed assets:

a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipment.

(B) The company has maintained proper records showing full particulars of intangible assets.

b) The management has physically verified the property, plant and equipment of the Company in a phased manner to cover the entire block of assets over a period of three years, which is reasonable having regard to the size of the Company and nature of its assets and no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the standalone financial statements are held in the name of the Company as at the balance sheet date.

d) The company has not revalued any of its property, plant and equipment (including Right of Use assets) or intangible asset during the year.

e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated during the year or are pending as at 31st March, 2024 against the Company for holding any benami property under the Prohibition of Benami Property Transaction Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The inventories have been physically verified during the year by the management. For stocks lying with the third parties at the year end, written confirmations have been obtained. In our opinion, the frequency of verification is reasonable and procedures & coverage as followed by the management were appropriate. The discrepancies noticed on verification between the physical stock and the book stock for each class of inventory, wherever ascertained were not more than 10%.

(b) During the year, the company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current asset of the Company. The quarterly returns/statements filed by the company with such banks are in agreement with the books of accounts other than those as set out below (Refer note no. 46 to the standalone financial statements):

Name of the Banks	Quarter Ended	Particulars of security provided	Amount as per Books of Accounts (Rs. in million)	Amount as per Quarterly Statements (Rs. in million)	Differences (Rs. in million)	Reasons for material differences
Axis Bank, HDFC Bank and Yes Bank	June, 2023	Inventories and Debtors less Creditors	721.35	820.46	99.11	Primarily inclusion of certain liabilities not forming part of creditors for goods and debtors more than 90 days.
	September, 2023	Inventories and Debtors less Creditors	675.55	785.41	109.86	
	December, 2023	Inventories and Debtors less Creditors	734.08	835.25	101.17	
	March, 2024	Inventories and Debtors less Creditors	532.22	636.64	104.42	

iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year the Company has made investments and granted loans but not provided any guarantee or security or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties.

ANNEXURE A
TO THE INDEPENDENT AUDITOR'S REPORT

a. During the year, the Company has granted loans to it's wholly owned foreign subsidiary (Kanoria Africa Textiles Private Limited Company) amounting to Rs. 302.49 million and the total outstanding balance of loan given to the said subsidiary as on 31.03.2024 aggregating to Rs. 762.63 million. Moreover, during the year, the company has not provided advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties.

b. According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made and the terms and conditions of the loans granted during the year, prima facie are not prejudicial to the interest of the Company. The Company has not provided any guarantee or security or advances in the nature of loan during the year.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the receipts have been regular except the followings:

(Rs. in million)

Name of the Entity	Amount (Rs. in million)	Due date	Date of Payment	Extent of Delay (days)	Remarks, if any
APAG Holding AG (subsidiary)	83.35	07.07.2023	Not paid till the date of Audit Report	269	Delay in Loan repayment
APAG Holding AG (subsidiary)	45.05	01.03.2024	Not paid till the date of Audit Report	31	Delay in Loan repayment
APAG Holding AG (subsidiary)	44.43	01.09.2023	10.11.2023	71	Delay in Loan repayment
APAG Holding AG (subsidiary)	90.10	31.03.2024	Not paid till the date of Audit Report	1	Delay in Loan repayment
APAG Holding AG (subsidiary)	19.98	30.04.2023	Not paid till the date of Audit Report	337	Delay on Interest payment for the FY 2022-23 on the loan given to the said subsidiary

d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount during the year for more than ninety days in respect of loans given other than overdue of Rs. 103.33 million as reported in clause (iii)(c) above. As represented by the management, the company is taking reasonable steps to recover the aforesaid amount.

e. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

f. According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year 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.

iv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees & securities provided, as applicable.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of section 73 to 76 of the Act and the Rules framed there under to the extent notified.

vi. The Central Government has prescribed maintenance of cost records under section 148(1) of the Act, for the Company. We have broadly reviewed such accounts and records and are of the opinion that prime facie, the prescribed accounts & records have been made & maintained but no detailed examination of such records and accounts have been carried out by us.

ANNEXURE A
TO THE INDEPENDENT AUDITOR'S REPORT

vii. According to the information and explanations given to us and on the basis of our examination of the books of account:

a) The Company has been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, duty of customs, goods & service tax, cess and other statutory dues during the year with the appropriate authorities. No undisputed statutory dues as above were outstanding as at March 31, 2024 for a period of more than six months from the date they became payable.

b) The details of disputed dues of income tax, sales tax, duty of customs, duty of excise, value added tax or goods and service tax or any other statutory dues which have not been deposited and the forum where the dispute was pending as on March 31, 2024 are as under:

Name of the statute	Nature of the Dues	Amount (Rs. in millions)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	90.61	AY 2016-17, AY 18-19 & AY 2022-23	Commissioner Income Tax (Appeals), Kolkata
The Indian Stamp Act, 1899	Stamp Duty	4.06	2011-12	Rajasthan High Court
The Finance Act, 1994	Service Tax	0.40	2016-17	The Customs Excise and Service Tax Appellant Tribunal, Vadodara
The Customs Act, 1962	Custom Duty	7.65	2019-20 & 2020-21	Gujarat High Court, Ahmedabad

viii. According to the information and explanations given to us, Company has not surrendered or disclosed any transactions, previously unrecorded in the books of accounts, as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us and the records of the Company examined by us including representation received from the management, the Company has not been declared wilful defaulter by any bank, financial institution or other lender.

(c) According to the information and explanations given to us and the records of the Company examined by us, Term Loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, prima facie, no funds raised on short-term basis have been used for long-term purpose by the Company.

(e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the company.

(f) According to the information and explanations given to us and the records of the Company examined by us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries. Accordingly, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the company.

x. (a) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not raised any money by way of initial public offer or further public offer (including debt instrument). Accordingly reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable to the Company

xi. (a) According to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.

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

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(c) According to the information and explanations and representations made by the management, no whistle-blower complaints have been received during the year (and up to date of report) by the company.

xii. The Company is not a Nidhi Company. Accordingly, clause 3(xii)(a) to 3(xii)(c) of the Order is not applicable to the company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. (a) The company has an internal audit system commensurate with the size and nature of its business.

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

xv. According to the information and explanations give to us and based on our examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him and hence requirement to report on clause 3(xv) of the Order is not applicable on the Company.

xvi. (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

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

(d) Management has represented that, to the best of its knowledge and belief, 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. In our opinion and according to the information and explanations provided to us, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, provisions of clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and 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 that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. (a) According to the records of the Company examined by us and the information and explanation given to us, the company has no unspent amount in respect of other than ongoing projects, accordingly, clause 3(xx)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, there is no unspent amount under section 135(5) of the Companies Act, pursuant to ongoing projects at the balance sheet date, accordingly, clause 3(xx)(b) of the Order is not applicable.

For Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E

Rajiv Singhi
Partner
Membership No.: 053518
UDIN: 24053518BKGXUN8830

Place: Kolkata
Dated: 28th day of May, 2024

ANNEXURE B
TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Kanoria Chemicals & Industries Limited of even date)

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

We have audited the internal financial controls with reference to the standalone financial statement of Kanoria Chemicals & Industries Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone 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 financial 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective 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 Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the standalone financial statement based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the standalone financial statement 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 with reference to the standalone financial statement and their operating effectiveness. Our audit of internal financial controls with reference to the standalone financial statement included obtaining an understanding of internal financial controls with reference to the standalone financial statement, 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 with reference to the standalone financial statement.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE STANDALONE FINANCIAL STATEMENT

A company's internal financial control with reference to the standalone financial statement 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 with reference to the standalone financial statement includes those policies and procedures that- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the

ANNEXURE B
TO THE INDEPENDENT AUDITOR'S REPORT

company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE STANDALONE FINANCIAL STATEMENT

Because of the inherent limitations of internal financial controls with reference to the standalone financial statement, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the standalone financial statement to future periods are subject to the risk that the internal financial control with reference to the standalone financial statement 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 with reference to the standalone financial statement and such internal financial controls with reference to the standalone financial statement were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E

Rajiv Singhi
Partner
Membership No.: 053518
UDIN: 24053518BKGXUN8830

Place: Kolkata
Dated: 28th day of May, 2024

STANDALONE BALANCE SHEET

As at 31st March 2024

(Rs. in million)

	Notes	As at 31st March 2024	As at 31st March 2023
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	5A	3,793.89	4,045.01
(b) Capital Work-in-Progress	5C	321.07	0.17
(c) Other Intangible Assets	5B	2.02	2.47
(d) Financial Assets			
(i) Investments	6A	2,068.06	2,113.95
(ii) Loans	7	1,051.40	827.54
(iii) Others	8	22.97	22.76
(e) Other Non-Current Assets	9	45.31	4.73
Total Non-Current Assets		**7,304.72**	**7,016.63**
Current Assets			
(a) Inventories	10	561.80	526.39
(b) Financial Assets			
(i) Investments	6B	28.85	65.09
(ii) Trade Receivables	11	778.78	858.70
(iii) Cash and Cash Equivalents	12A	0.27	0.43
(iv) Bank Balances other than (iii) above	12B	4.76	4.45
(v) Loans	7	310.87	264.53
(vi) Others	8	151.86	112.79
(c) Current Tax Assets (Net)	13	137.29	125.47
(d) Other Current Assets	9	92.74	59.54
(e) Assets held for Sale	14	69.61	36.16
Total Current Assets		**2,136.83**	**2,053.55**
Total Assets		**9,441.55**	**9,070.18**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	15	218.49	218.49
Other Equity	16	6,174.23	6,186.03
Total Equity		**6,392.72**	**6,404.52**
LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	581.64	650.47
(ii) Other Financial Liabilities	18	0.21	-
(b) Provisions	19	87.12	61.14
(c) Deferred Tax Liabilities (Net)	20A	500.92	523.31
Total Non-Current Liabilities		**1,169.89**	**1,234.92**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	847.34	593.72
(ii) Trade Payables	21		
Total outstanding dues of Micro and Small Enterprises		18.21	58.39
Total outstanding dues of Others		789.45	566.92
(iii) Other Financial Liabilities	18	141.22	125.23
(b) Other Current Liabilities	22	43.14	18.92
(c) Provisions	19	39.58	67.56
Total Current Liabilities		**1,878.94**	**1,430.74**
Total Liabilities		**3,048.83**	**2,665.66**
Total Equity and Liabilities		**9,441.55**	**9,070.18**
Material Accounting Policies	3		

The accompanying notes are an integral part of the Financial Statements

As per our report of even date annexed
For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E

RAJIV SINGHI
Partner
Membership No. 053518

Place: Kolkata
Date: 28th May, 2024

For and on behalf of the Board

SIDHARTH K. BIRLA
Director
(DIN:00004213)

R. V. KANORIA
Managing Director
(DIN:00003792)

N. K. NOLKHA
Group Chief Financial Officer

NEHA SARAF
Company Secretary
(ACS: 27024)

STANDALONE STATEMENT OF PROFIT & LOSS

For the year ended 31st March 2024

(Rs. in million)

	Notes	For the year ended 31st March 2024	For the year ended 31st March 2023
INCOME			
Revenue from Operations	23	5,785.31	6,752.10
Other Income	24	252.59	207.67
Total Income		**6,037.90**	**6,959.77**
EXPENSES			
Cost of Materials Consumed		4,450.52	5,254.10
Purchase of Stock-in-Trade		11.33	-
Change in Inventories of Finished Goods and Work-in-Progress	25	(80.94)	(39.10)
Employee Benefit Expenses	26	373.39	388.73
Other Expenses	27	962.29	959.84
Total Expenses		**5,716.59**	**6,563.57**
Profit before Finance Costs, Depreciation & Amortisation, Exceptional Items and Tax		**321.31**	**396.20**
Finance Costs	28	115.36	95.04
Depreciation and Amortisation Expenses	5A, 5B	214.61	211.94
Profit/(Loss) before Exceptional Items and Tax		**(8.66)**	**89.22**
Exceptional Items	29	24.21	-
Profit/(Loss) before Tax		(32.87)	89.22
Tax Expenses:			
Current Tax		-	21.03
Deferred Tax		(39.91)	8.92
Tax for earlier years		18.18	-
Profit/(Loss) for the Year		**(11.14)**	**59.27**
OTHER COMPREHENSIVE INCOME (OCI)			
A (i) Items that will not be reclassified to Profit or Loss	30A	(1.35)	1.48
(ii) Income Tax relating to items that will not be reclassified to Profit or Loss		0.69	(0.39)
B Items that will be reclassified to Profit or Loss	30B	-	-
Other Comprehensive Income for the Year (net of tax)		**(0.66)**	**1.09**
Total Comprehensive Income for the Year		**(11.80)**	**60.36**
Earning per Share (INR) - Basic & Diluted	31	(0.25)	1.36
Material Accounting Policies	3		

The accompanying notes are an integral part of the Financial Statements

As per our report of even date annexed
For SINGHI & CO.
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Firm Registration No. 302049E

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Partner
Membership No. 053518

Place: Kolkata
Date: 28th May, 2024

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STANDALONE STATEMENT OF CHANGES IN EQUITY

For the period ended 31st March 2024

(Rs. in million)

(A) Equity Share Capital

	Year ended 31st March 2024			Year ended 31st March 2023		
	Balance at the beginning of the reporting period	Changes during the year	Balance at the end of the reporting period	Balance at the beginning of the reporting period	Changes during the year	Balance at the end of the reporting period
Equity Share Capital	218.47	-	218.47	218.47	-	218.47
Add : Forfeited Shares (amount paid up)	0.02	-	0.02	0.02	-	0.02
Total	**218.49**	-	**218.49**	**218.49**	-	**218.49**

(B) Other Equity

	Reserves and Surplus				Items of Other Comprehensive Income		Total
	Capital Reserve	Securities Premium	Capital Redemption Reserve	Retained Earnings	Equity Instruments	Debt Instruments	
As at 31st March 2022	**34.17**	**161.50**	**72.69**	**5,894.92**	**6.08**	-	**6,169.36**
Profit for the Year				59.27			59.27
Other Comprehensive Income				0.61	0.48	-	1.09
Total Comprehensive Income	**34.17**	**161.50**	**72.69**	**5,954.80**	**6.56**	-	**6,229.72**
Dividend Paid				(43.69)			(43.69)
As at 31st March 2023	**34.17**	**161.50**	**72.69**	**5,911.11**	**6.56**	-	**6,186.03**
Profit for the Year				(11.14)			(11.14)
Other Comprehensive Income				(1.47)	0.81	-	(0.66)
Total Comprehensive Income	**34.17**	**161.50**	**72.69**	**5,898.50**	**7.37**	-	**6,174.23**
As at 31st March 2024	**34.17**	**161.50**	**72.69**	**5,898.50**	**7.37**	-	**6,174.23**

The accompanying notes are an integral part of the Financial Statements

As per our report of even date annexed

For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E

RAJIV SINGHI
Partner
Membership No. 053518

Place: Kolkata
Date: 28th May, 2024

For and on behalf of the Board

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Company Secretary
(ACS: 27024)

STANDALONE STATEMENT OF CASH FLOW

For the year ended 31st March 2024

(Rs. in million)

	For the year ended 31st March 2024	For the year ended 31st March 2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Exceptional Items and Tax	**(8.66)**	**89.22**
Adjustments for:		
Unrealized Debts and Claims Written Off	0.02	0.20
Provision for Bad & Doubtful Debts & Advances (Net)	0.04	(0.04)
Finance Costs	115.36	95.04
Depreciation & Amortisation	214.61	211.94
(Profit)/Loss on Sale of Fixed Assets (Net)	(22.52)	(94.82)
(Gain)/Loss on Sale of Investments as FVTPL/FVTOCI (Net)	(132.49)	(36.44)
Interest Income	(50.61)	(42.27)
Fair Value (Gain)/Loss on Financial Instruments as FVTPL (Net)	(16.56)	43.82
Dividend Income	(0.20)	(0.14)
Guarantee Fee Income	(15.75)	(17.15)
Liabilities Written Back	(0.81)	(3.64)
Operating Profit before Working Capital Changes	**82.43**	**245.72**
Adjustments for:		
(Increase)/ Decrease in Trade and Other Receivables (Net)	24.70	279.18
Inventories	(35.41)	(5.79)
Increase/ (Decrease) in Trade and other Payables (Net)	196.72	(234.06)
Cash Generated from Operations	**268.44**	**285.05**
Income Tax (Paid)/Refund (net)	(11.82)	(35.41)
Net Cash used in/from Operating Activities	**256.62**	**249.64**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(375.26)	(307.48)
Sale of Fixed Assets	61.92	186.89
Loans & Advances to Subsidiaries (Net)	(245.83)	(230.32)
Purchase of Investments	(20.00)	(144.34)
Sale of Investments	252.09	49.01
Bank Deposits (held as security)	(0.88)	9.24
Interest Received	2.39	11.30
Guarantee Fee Received	(0.31)	1.09
Dividend Received	0.20	0.14
Net Cash used in/from Investing Activities	**(325.68)**	**(424.47)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/Payments of Borrowings (Net)	184.79	274.20
Dividend Paid	-	(43.69)
Finance Costs Paid	(115.89)	(91.46)
Net Cash used in/from Financing Activities	**68.90**	**139.05**
Net Increase/(Decrease) in Cash and Cash Equivalents	(0.16)	(35.78)
Cash and Cash Equivalents at the beginning of the year	0.43	36.21
Cash and Cash Equivalents at the end of the year (Note 12A)	**0.27**	**0.43**

Note: a. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flow.
b. The composition of Cash and Cash Equivalents have been determined based on the Accounting Policy No. 3(O).

As per our report of even date annexed

For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E

RAJIV SINGHI
Partner
Membership No. 053518

Place: Kolkata
Date: 28th May, 2024

For and on behalf of the Board

SIDHARTH K. BIRLA
Director
(DIN:00004213)

R. V. KANORIA
Managing Director
(DIN:00003792)

N. K. NOLKHA
Group Chief Financial Officer

NEHA SARAF
Company Secretary
(ACS: 27024)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

1: Corporate Information

Kanoria Chemicals & Industries Limited (the Company) having its registered office at 'KCI Plaza', 23C Ashutosh Chowdhury Avenue, Kolkata – 700 019, India is a Public Limited Company incorporated and domiciled in India. The Equity Shares of the Company are listed on National Stock Exchange of India Ltd. and BSE Ltd. The Company is primarily engaged in manufacture of Industrial Chemicals in India.

2: Basis of Preparation

A. Statement of Compliance

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

These financial statements have been approved for issue by the Board of Directors on 28th May, 2024.

B. Functional and Presentation Currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded off to the nearest two decimals of millions, unless otherwise indicated.

C. Historical Cost Convention

The financial statements have been prepared following accrual basis of accounting on a historical cost basis, except for the following which are measured at fair value:

I. Certain Financial Assets and Liabilities

II. Defined Benefit Plans

D. Fair Value Measurement

A number of Company's accounting policies and disclosures require fair value measurement for both financial and non-financial assets and liabilities.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement, as under:

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

II. Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

III. Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation, based on the lowest level input that is significant to the fair value measurement, at the end of each reporting period.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. External valuers are involved for valuation of significant assets and liabilities. Involvement of external valuers is decided upon by the Management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

E. Current versus Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset or liability is treated as current if it satisfies any of the following condition:

I. the asset/liability is expected to be realised/settled in normal operating cycle;

II. the asset is intended for sale or consumption;

III. the asset/liability is held primarily for the purpose of trading;

IV. the asset/liability is expected to be realised/settled within twelve months after the reporting period;

V. the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period;

VI. in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period

All other assets and liabilities are classified as non-current.

Deferred tax assets or liabilities are classified as non-current assets or liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

F. Use of Estimates and Judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures including contingent liabilities. Actual results may differ from these estimates. Difference between actual results and estimates are recognised in the period prospectively in which the results are known/materialised.

Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and other factors, including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Detailed information about estimates and judgements is included in Note 4.

3: Material Accounting Policies

A. Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency at the exchange rates on the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Exchange difference arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss on net basis.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively.

B. Property, Plant & Equipment

I. Recognition & Measurement

All items of property, plant and equipment (PPE) are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Cost of an item of PPE includes its purchase cost, non refundable taxes and duties, directly attributable cost of bringing the item to its working condition for its intended use and borrowing cost if the recognition criteria is met.

In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition, are also added to the cost of self-constructed assets. The Company considers a Project to be 'unit of measure' for construction of a manufacturing plant rather than individual assets comprising the project in appropriate cases for the purpose of capitalisation of expenditure incurred during construction period.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate component of property, plant and equipment.

Subsequent costs are included in an item of PPE's carrying value or recognised as a separate item, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any Unamortized part of the previously recognized expenses of similar nature is derecognized.

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

An item of PPE or any significant part thereof is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss on derecognition of an item of PPE is recognised in Statement of Profit and Loss.

II. Depreciation methods, estimated useful lives and residual value

Depreciation on all items of PPE is calculated using the straight line method to allocate their cost, net of their residual value, over their estimated useful lives as prescribed in Schedule II to the Act except for following items where useful life is considered as lower than that prescribed based on technical assessment:

PPE/PPE Group	Useful life
Effluent treatment plant Digester	15 years
Measuring instruments like flow meters, transmitters, level gauges etc.	10 years
Other Independent Instruments	15 years

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Depreciation on an item of PPE purchased/sold during the year is provided on pro-rata basis.

Freehold land is not depreciated.

The residual values are not more than 5% of the cost of an item of PPE.

Depreciation methods, useful lives and residual values are reviewed at the end of each financial year and adjusted prospectively, if appropriate.

C. Intangible Assets

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and accumulated impairment losses, if any.

The Company amortises intangible assets with a finite useful life using the straight line method over three years.

Amortisation methods and useful lives are reviewed at the end of each financial year and adjusted prospectively, if appropriate.

D. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of lease requires significant judgement. The company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The company determines the lease term as non-cancellable period of a lease, together with both the periods covered by an option to extend the lease if the company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the company is certain not to exercise that option. In assessing whether the company is reasonably certain to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The company revises the lease term if there is a change in the non-cancellable period of a lease.

Leasehold land with perpetual right has been included in property plant & equipment.

E. Assets Held for Sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all the following criteria are met: (i) decision has been made to sell, (ii) the assets are available for immediate sale in its present condition, (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as 'held for sale' are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

F. Financial Instruments

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

I. Financial Assets

Initial recognition and measurement:

The Company recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. 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.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

to a change in factor that market participants take into account when pricing the financial asset.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

a. The Company's business model for managing the financial asset and

b. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

i. Financial assets measured at amortized cost

ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

iii. Financial assets measured at fair value through profit or loss (FVTPL)

i. Financial assets measured at amortized cost:

A financial asset is measured at the amortized cost if both the following conditions are met:

a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to certain investment in debt instruments, cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

ii. Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:

a) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to certain investments in debt instruments. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income and impairment losses and its reversals in the Statement of Profit and Loss.

On Derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is reclassified to Statement of Profit and Loss.

Further, the Company, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTOCI. The Company has made such election on an instrument by instrument basis. These equity instruments are not held for trading. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI. However, the Company recognizes dividend income from such instruments in the Statement of Profit and Loss.

On Derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is not reclassified to Statement of Profit and Loss. However, the Company may transfer such cumulative gain or loss into retained earnings within equity.

iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company excluding investments in subsidiary companies. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

i. The contractual rights to cash flows from the financial asset expires;

ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;

iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);

iv. The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On Derecognition of a financial asset, (except as mentioned in ii above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

Impairment of financial assets:

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

i. Trade receivables

ii. Financial assets measured at amortized cost (other than trade receivables)

iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'.

II. Financial Liabilities

Initial recognition and measurement:

The Company recognises a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical liability (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

Subsequent measurement:

All financial liabilities of the Company are subsequently measured at amortised cost using the effective interest method.

Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the Statement of Profit and Loss.

III. Derivative Financial Instruments

Derivative financial instruments viz. foreign exchange forward contracts, interest rate swaps and cross currency swaps to manage Company's exposure to foreign exchange rate and interest rate risks are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in statement of profit and loss immediately. The Company does not hold derivative financial instruments for speculative purposes.

G. Impairment

Assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Assets that are subject to depreciation and amortisation and assets representing investments in subsidiary companies are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

Impairment losses, if any, are recognised in the Statement of Profit and Loss and included in depreciation and amortisation expense. Impairment losses are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

H. Inventories

Inventories of raw materials, stores and spare parts, work in progress and finished goods are measured at lower of cost and net realisable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be used are expected to be sold at or above cost. In case of certain products, where cost cannot be ascertained reliably, the same are measured at net realisable value.

Cost of raw materials, stores and spares include its purchase cost and other costs incurred in bringing them to their present location and condition. Cost of work in progress and finished goods include direct materials, direct labour and appropriate proportion of variable and fixed overheads, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual item of inventory on weighted average method.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

I. Income Tax

Income Tax comprises current and deferred tax and is recognised in Statement of Profit and Loss except to the extent that it relates to an item recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or in equity as the case may be.

I. Current Tax

Current tax comprises the expected tax payable on the taxable income for the year and any adjustments to the tax payable in respect of previous years. It is measured using tax rates and tax laws enacted by the reporting date.

II. Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes i.e tax base.

Deferred Tax assets are recognised to the extent that it is probable that future taxable amounts will be available to utilise those temporary differences, carried forward tax losses and unused tax credits.

Deferred Tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax laws that have been enacted or substantively enacted by the reporting date.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

J. Revenue Recognition

I. Revenue from Contract with Customer:

The Company derives revenue primarily from sale of manufactured and traded goods. Revenue is recognized on satisfaction of performance obligation upon transfer of goods to a customer at an amount that reflects the consideration to which the company is expected to be entitled to, in exchange for those goods.

The transaction price of goods sold is net of variable consideration on account of returns, trade allowances, rebates and amounts collected on behalf of third parties. This variable consideration is estimated based on the expected value of outflow. The company recognizes revenue when it is probable that future economic benefits will flow to the Company and the amount of revenue can be reliably measured.

Sale of Products: Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

II. Interest Income

Interest income from debt instruments is recognised on accrual basis using effective interest rate method applicable on such debt instrument.

III. Dividend

Dividend income is recognised when the Company's right to receive the payment is established.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

K. Employee Benefits

I. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and expensed as the relative service is provided. A liability is recognised for the amount expected to be paid e.g. towards bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

II. Defined contribution plan

Provident Fund, a defined contribution plan, is a post employment benefit plan under which the Company pays contributions into a separate entity and has no legal or constructive obligation to pay further amounts. The Company recognises the contributions payable towards the provident fund as an expense in the Statement of Profit and Loss in the periods during which the related services are rendered by employees.

III. Defined benefit plan

A defined benefit plan is a post employment benefit plan other than a defined contribution plan. The Company has unfunded Gratuity liability towards this which is provided on the basis of actuarial valuation made by an external valuer at the end of each financial year using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling (if any, excluding interest) are immediately recognised in the balance sheet with corresponding debit or credit to Other Equity through OCI. Remeasurements are not classified to profit or loss in subsequent periods.

Net interest and changes in the present value of defined benefit obligation resulting from plan amendments or curtailments are recognised in profit or loss.

IV. Other long term employee benefits

The liabilities for earned leave are measured and provided on the basis of actuarial valuation made by an external valuer at the end of each financial year using the projected unit credit method. Remeasurement gains or losses are recognised in Statement of Profit and Loss in the period in which they arise.

L. Borrowing Costs

Borrowing costs consists of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs attributable to the acquisition or construction of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset. Income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowings costs eligible for capitalisation. All other borrowing costs are expensed in the period in which they are incurred. Transaction costs in respect of long-term borrowings are amortised over the tenor of respective loans using effective interest method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

M. Exceptional items

When items of income and expense in the statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the period, the nature and amount of such material items are disclosed separately as exceptional items.

N. Earning per Share

Basic earnings per share is calculated by dividing the net profit or loss before OCI for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the post tax effect of finance costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the issue of all dilutive potential equity shares.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

O. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and in hand and short term deposits with remaining maturity of 3 months or less, which are subject to an insignificant risk of change in value.

P. Cash dividend to Equity shareholders

The Company recognises a liability to make distribution of cash dividend to equity shareholders of the Company when the distribution is approved by the shareholders. A corresponding amount is recognised directly in equity.

Q. Provisions

Provisions are recognised when the Company has a present legal or constructive obligation 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.

Where the effect of time value of money is material, provisions are measured at present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to liability. The increase in the provision due to passage of time is recognised as interest expense.

R. Contingent Liabilities and Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognise a contingent liability but discloses its existence in the financial statements. Contingent assets are not recognised in the financial statements.

S. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

T. Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

U. Recent applicable Accounting pronouncements

Ministry of Corporate Affairs ("MCA") has not notified any new standards or amendments to the existing standards for the year ended 31st March, 2024.

4: Significant Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

(i) Judgements

In the process of applying the accounting policies, management has made the following judgements, which have the most significant effect on the

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

amounts recognised in the financial statements:

(a) Equity Investments measured at FVTOCI

The company has exercised the option to measure investment in equity instruments, not held for trading at FVTOCI in accordance with Ind AS 109. It has exercised this irrevocable option for its class of quoted equity shares. The option renders the equity instruments elected to be measured at FVTOCI non recyclable to PL.

(b) Business Model for Investment of Debt Instruments

For the purpose of measuring investments in debt instruments in accordance with Ind AS 109, the company has evaluated and determined that the business model for investments in quoted debentures and bonds is to collect the contractual cash flows and sell the financial asset. Such financial assets have been accordingly classified and measured at FVTOCI.

For the purpose of measuring investments in debt instruments in accordance with Ind AS 109, the company has evaluated and determined that the business model for investments in unquoted debentures and bonds is only to collect the contractual cash flows. Such financial assets have been accordingly classified and measured at amortised cost.

(ii) Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Defined Benefit Plans

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation

(b) Fair Value measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(c) Depreciation/Amortisation and Useful Lives of Property, Plant and Equipment/Intangible Assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(d) Impairment of Financial Assets

The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.

(e) Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Determination of the recoverable amount involves management estimates on highly uncertain matters, such as commodity prices and their impact on markets and prices for upgraded products, development in demand, inflation, operating expenses and tax and legal systems. The Company uses internal business plans, quoted market prices and the Company's best estimate of commodity prices, currency rates, discount rates and other relevant information. A detailed forecast is developed for a period of three to five years with projections thereafter. The Company does not include a general growth factor to volumes or cash flows for the purpose of impairment tests, however, cash flows are generally increased by expected inflation and market recovery towards previously observed volumes is considered.

(f) Taxes

The Company calculates income tax expense based on reported income. Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax basis that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned tax optimizing measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

5A: Property Plant and Equipment

(Rs. in million)

	Gross Carrying Value				Depreciation				Net Carrying Value
	As at 01.04.23	Additions	Disposal/ Reclassification	As at 31.03.24	As at 01.04.23	For the Year	Disposal/ Reclassification	As at 31.03.24	As at 31.03.24
Land & Site Development :									
Freehold	746.87	-	-	746.87	-	-	-	-	746.87
Leasehold*	797.80	-	67.59	730.21	89.67	11.21	7.40	93.48	636.73
Buildings*	953.27	0.62	15.38	938.51	223.18	28.40	4.37	247.21	691.30
Plant & Equipment	3,007.76	32.21	0.29	3,039.68	1,193.31	164.76	0.25	1,357.82	1,681.86
Furniture & Fixtures	45.49	0.54	0.13	45.90	24.20	2.84	0.06	26.98	18.92
Vehicles & Fork Lifts	27.10	1.07	2.13	26.04	13.42	2.78	0.60	15.60	10.44
Office Equipment	33.72	0.59	0.22	34.09	23.22	3.31	0.21	26.32	7.77
Total	**5,612.01**	**35.03**	**85.74**	**5,561.30**	**1,567.00**	**213.30**	**12.89**	**1,767.41**	**3,793.89**

* Leasehold Land of Rs. 60.19 million and Buildings of Rs. 9.42 million are classified as assets held for sale.

	Gross Carrying Value				Depreciation				Net Carrying Value
	As at 01.04.22	Additions	Disposal/ Reclassification	As at 31.03.23	As at 01.04.22	For the Year	Disposal/ Reclassification	As at 31.03.23	As at 31.03.23
Land & Site Development :									
Freehold	746.87	-	-	746.87	-	-	-	-	746.87
Leasehold	797.80	-	-	797.80	78.45	11.22	-	89.67	708.13
Buildings	970.65	65.36	82.74	953.27	215.54	28.01	20.37	223.18	730.09
Plant & Equipment *	2,798.93	294.75	85.92	3,007.76	1,073.60	162.23	42.52	1,193.31	1,814.45
Furniture & Fixtures	46.64	4.01	5.16	45.49	25.86	3.01	4.67	24.20	21.29
Vehicles & Fork Lifts	26.36	3.26	2.52	27.10	12.21	2.88	1.67	13.42	13.68
Office Equipment	30.74	3.45	0.47	33.72	20.17	3.28	0.23	23.22	10.50
Total	**5,417.99**	**370.83**	**176.81**	**5,612.01**	**1,425.83**	**210.63**	**69.46**	**1,567.00**	**4,045.01**

* Plant & Equipment of Rs. 26.16 million is classified as assets held for sale.

The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

5B: Intangible Assets

(Rs. in million)

	Gross Carrying Value				Amortisation				Net Carrying Value
	As at 01.04.23	Additions	Disposal/ Reclassification	As at 31.03.24	As at 01.04.23	For the Year	Disposal/ Reclassification	As at 31.03.24	As at 31.03.24
Computer Software	21.05	0.85	-	21.90	18.57	1.31	-	19.88	2.02

	Gross Carrying Value				Amortisation				Net Carrying Value
	As at 01.04.22	Additions	Disposal/ Reclassification	As at 31.03.23	As at 01.04.22	For the Year	Disposal/ Reclassification	As at 31.03.23	As at 31.03.23
Computer Software	20.78	0.34	0.07	21.05	17.34	1.31	0.07	18.58	2.47

5C: Capital Work-in-Progress Aging Schedule:

	Amount in Capital Work-in-Progress					Amount in Capital Work-in-Progress				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at 31.03.24	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at 31.03.23
Project in Progress	321.07	-	-	-	321.07	0.17	-	-	-	0.17

Note: There is no project whose completion is overdue or which has exceeded its cost compared to its original plan.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

6: Investments

(Rs. in million)

	31st March 2024			31st March 2023		
	Face Value Rs.	Nos.	Amount	Face Value Rs.	Nos.	Amount
(A) Non Current Investments:						
Investments at Cost						
Equity Shares, Fully Paid (Unquoted) In Subsidiary Companies						
APAG Holding AG, Switzerland	CHF 1000	286	494.64	CHF 1000	328	567.28
Kanoria Africa Textiles Plc, Ethiopia	ETB 10	62,997,916	1,444.17	ETB 10	62,997,916	1,444.17
Total Investments at Cost			**1,938.81**			**2,011.45**
Investments at Fair Value through OCI						
Equity Shares, Fully Paid (Quoted)						
IFCI Ltd.	10	200	0.01	10	200	0.00
HDFC Bank Ltd.	1	5,000	7.24	1	5,000	8.05
Bank of India	10	9,000	1.23	10	9,000	0.67
NMDC Ltd.	1	8,000	1.61	1	8,000	0.89
NMDC Steel Ltd.	10	8,000	0.44	-	-	-
Equity Shares, Fully Paid (Unquoted)						
Enviro Technology Ltd.	10	10,000	0.10	10	10,000	0.10
BEIL Infrastructure Ltd.	10	1,400	0.01	10	1,400	0.01
Mittal Tower Premises Co-op. Society Ltd.	50	5	0.00	50	5	0.00
Narmada Clean Tech	10	822,542	8.23	10	822,542	8.23
Woodlands Multispeciality Hospital Ltd.	10	2,180	0.02	10	2,180	0.02
Total Investments at Fair Value through OCI			**18.89**			**17.97**
Investments at Fair Value through PL						
Alternative Investment Funds (Unquoted)						
360 One Seed Venture Fund	5	2,411,700	41.28	5	2,411,693	44.28
Chiratae Trust	100,000	180	42.19	100,000	180	40.25
India Housing Fund - Series 4	10	1,999,900	26.89	-	-	-
Total Investments at Fair Value through PL			**110.36**			**84.53**
Total Non Current Investments (A)			**2,068.06**			**2,113.95**
(B) Current Investments:						
Investments at Fair Value through PL						
Alternative Investment Fund (Unquoted)						
360 One Real Estate Fund (Domestic) Sr.2	-	-	-	4	9,313,812	33.92
360 One Real Estate Fund (Domestic) Sr.3	7	5,365,000	26.60	7	5,365,000	26.60
ICICI Prudential Real Estate AIF-II	100	32,617	2.25	100	68,827	4.57
Total Investments at Fair Value through PL			**28.85**			**65.09**
Total Current Investments (B)			**28.85**			**65.09**

	Non-Current	Current		Non-Current	Current
Aggregate book value of quoted investments	10.53	-		9.61	-
Aggregate market value of quoted investments	10.53	-		9.61	-
Aggregate value of unquoted investments	2,057.53	28.85		2,104.34	65.09

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

7: Loans

(Rs. in million)

	31st March 2024		31st March 2023	
	Non-Current	Current	Non-Current	Current
(Unsecured, considered good) Loans to Related Parties				
Loans to Subsidiaries[1] (Refer note 38)	1,050.96	308.61	826.87	260.66
Other Loans				
Loans to Employees	0.44	2.26	0.67	3.87
Total Loans	**1,051.40**	**310.87**	**827.54**	**264.53**

[1] Outstanding Loans to Kanoria Africa Textiles PLC, a subsidiary is Rs. 762.63 million as at 31st March, 2024 (previous year Rs. 451.91 million) which includes interest converted into Funded Interest Loan of Rs. 26.21 million during the year (previous year Rs. 20.76 million) and is receivable after September, 2028.

8: Other Financial Assets

(Unsecured considered good) Security Deposits	22.97	-	22.76	-
Export Benefits and Claims Receivable	-	12.91	-	11.91
Interest and Dividend Receivable	-	0.58	-	0.46
Interest and Fees receivable from Related Parties	-	138.37	-	100.42
Total Other Financial Assets	**22.97**	**151.86**	**22.76**	**112.79**

9: Other Assets

(a) Capital Advances	42.17	-	-	-
(b) Advances other than Capital Advances				
(i) Advances to Related Party	-	36.86	-	36.86
(ii) Other Advances	3.14	14.27	4.73	16.13
(iii) Balance with Government Authorities	-	41.61		6.55
Total Other Assets	**45.31**	**92.74**	**4.73**	**59.54**

10: Inventories

	31st March 2024	31st March 2023
(At lower of cost and net realisable value) Raw Materials	194.99	218.41
Raw Materials in Transit	16.68	28.68
Work-in-Progress	12.45	10.16
Finished Goods	228.97	148.01
Finished Goods in Transit	9.46	11.77
Stores & Spare Parts	99.25	109.36
Stock-in-trade	-	-
Total Inventories	**561.80**	**526.39**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

11: Trade Receivables

(Rs. in million)

	31st March 2024	31st March 2023
Secured, considered good	2.37	2.37
Unsecured, considered good	776.41	856.33
With Significant Increase in Credit risk	0.95	0.90
Less: Allowance for Bad & Doubtful Debts	0.95	0.90
Total Trade Receivables	**778.78**	**858.70**

Trade Receivables Ageing Schedule

	Outstanding for following periods from due date of payment						31st March 2024
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
i. Undisputed Trade Receivables-considered good	631.11	134.31	9.00	0.34	-	-	774.76
ii. Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	0.09	0.09
iii. Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
iv. Disputed Trade Receivables-considered good	-	-	-	-	-	2.37	2.37
v. Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	0.86	0.86
vi. Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less: Allowance for Bad & Doubtful Debts	-	-	-	-	-	0.95	0.95
Unbilled Trade Receivable	1.65						1.65
Total	**632.76**	**134.31**	**9.00**	**0.34**	**-**	**2.37**	**778.78**

	Outstanding for following periods from due date of payment						31st March 2023
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
i. Undisputed Trade Receivables-considered good	646.60	118.14	0.64	-	0.03	-	765.41
ii. Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	0.04	0.04
iii. Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
iv. Disputed Trade Receivables-considered good	-	-	-	-	-	2.37	2.37
v. Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	0.86	0.86
vi. Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less: Allowance for Bad & Doubtful Debts	-	-	-	-	-	0.90	0.90
Unbilled Trade Receivable	90.92				-		90.92
Total	**737.52**	**118.14**	**0.64**	**-**	**0.03**	**2.37**	**858.70**

12A: Cash and Cash Equivalent

	31st March 2024	31st March 2023
Balance with Banks	0.01	0.08
Cash on hand	0.26	0.35
Total Cash and Cash equivalent	**0.27**	**0.43**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

12B: Other Bank Balances

(Rs. in million)

	31st March 2024	31st March 2023
Earmarked balances with Banks (Unpaid Dividend Accounts)	3.53	4.11
Bank Deposits (held as security)	1.23	0.34
Total Other Bank Balances	**4.76**	**4.45**

13: Current Tax Assets

	31st March 2024	31st March 2023
Income Tax Payments (net of provision)	137.29	125.47
Total Current Tax Assets	**137.29**	**125.47**

14: Assets held for Sale

	31st March 2024	31st March 2023
Freehold Land	60.19	-
Buildings	9.42	-
Plant & Equipment	-	26.16
Intangible Assets under development	-	10.00
Total Assets held for Sale	**69.61**	**36.16**

15: Equity Share Capital

	31st March 2024		31st March 2023	
	No. of Shares	Amount	No. of Shares	Amount
(a) Authorised Share Capital Equity Shares of Rs. 5 each	100,000,000	500.00	100,000,000	500.00
(b) Issued, Subscribed and Fully Paid				
Equity Shares of Rs. 5 each	43,693,333	218.47	43,693,333	218.47
Add: Forfeited Shares (Amount paid up)		0.02		0.02
Total		**218.49**		**218.49**

(c) Terms/rights attached to Equity Shares

The Company has only one class of issued shares i.e. Equity Share having par value of Rs. 5 per share. Each holder of Equity Share is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the 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 payment of all preferential amounts, in proportion to their shareholding.

(d) Shares held by holding company

	31st March 2024		31st March 2023	
	No. of Shares	Amount	No. of Shares	Amount
Vardhan Limited	26,190,872	130.95	26,190,872	130.95

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

Name of the Shareholder	31st March 2024		31st March 2023	
	No. of Shares	% holding	No. of Shares	% holding
Vardhan Limited	26,190,872	59.94	26,190,872	59.94
R V Investment & Dealers Limited	3,210,120	7.35	3,210,120	7.35

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(f) Promoter's Shareholding

Name of the Promoters	Shares held by promoters as at 31st March 2024		Shares held by promoters as at 31st March 2023		Percentage of change during the year
	No. of Shares	% holding	No. of Shares	% holding	
Vardhan Limited	26,190,872	59.94	26,190,872	59.94	-
Rajya Vardhan Kanoria	461,481	1.06	461,481	1.06	-
R V Investment & Dealers Limited	3,210,120	7.35	3,210,120	7.35	-
Kirtivardhan Finvest Services Ltd.	1,154,907	2.64	1,154,907	2.64	-
Madhuvanti Kanoria	498,321	1.14	498,321	1.14	-
Saumya Vardhan Kanoria	556,440	1.27	556,440	1.27	-
Anand Vardhan Kanoria	434,739	1.00	434,739	1.00	-
Total	**32,506,880**	**74.40**	**32,506,880**	**74.40**	**-**

(g) Shares reserved for issue under options

No Shares have been reserved for issue under options and contracts/commitments for the sale of shares/ disinvestment as at the Balance Sheet date.

(h) The company has not issued any shares for consideration other than cash nor issued any bonus shares nor have bought back any shares during the period of five years immediately preceding the current financial year.

(i) None of the securities are convertible into shares at the end of the reporting period.

(j) No calls are unpaid including that by any Director or Officer of the Company.

16: Other Equity

(Rs. in million)

	31st March 2024		31st March 2023	
Capital Reserve				
As per last Balance Sheet		34.17		34.17
Capital Redemption Reserve				
As per last Balance Sheet		72.69		72.69
Securities Premium				
As per last Balance Sheet		161.50		161.50
Retained Earnings				
As per last Balance Sheet	5,911.11		5,894.92	
Add : Profit/(Loss) for the Year	(11.14)		59.27	
Add : Actuarial gain/(loss) on Defined Benefit Plan (Net)	(1.47)		0.61	
Less : Dividend Paid	-	5,898.50	(43.69)	5,911.11
Other Comprehensive Income (OCI)				
As per last Balance Sheet	6.56		6.08	
Add : Movement in OCI (Net) during the year	0.81	7.37	0.48	6.56
Total Other Equity		**6,174.23**		**6,186.03**

Description of the nature and purpose of each reserve within other equity is as follows:

a) Capital Reserve: represents the amount received on account of capital receipts, etc. in earlier years.

b) Capital Redemption Reserve: was created for redemption of preference shares and on buy-back of equity shares as per statutory requirement.

c) Securities Premium: represents premium on issue of shares.

d) Retained Earnings: are the accumulated profits earned by the Company and remaining undistributed as on date.

e) Other Comprehensive Income: represents the cumulative gains and losses arising on fair valuation of equity instruments measured at fair value through other comprehensive income under an irrevocable option.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

17: Borrowings

(Rs. in million)

	31st March 2024		31st March 2023	
	Non-Current	Current	Non-Current	Current
Secured				
Term Loan				
From Banks/Financial Institution[1]	456.64		525.47	
Current Maturities of Long Term Debts		178.25		166.76
Short Term Loan				
From Banks[2]	-	500.00	-	250.00
Loans Repayable on Demand				
From Banks[2]	-	89.09	-	176.96
Unsecured				
Term Loan				
From Related party	125.00	-	125.00	-
Short Term Loan				
From Body Corporates	-	80.00	-	-
Total Borrowings	**581.64**	**847.34**	**650.47**	**593.72**

1 Term Loan of Rs. 427.52 million (Previous year Rs. 549.05 million) secured by first charge and mortgage by deposit of title deeds of immovable properties and hypothecation of movable fixed assets of Naidupet & Vizag Division, Rs. 105.90 million (Previous year Nil) secured/to be secured by first charge and mortgage by deposit of title deeds of immovable properties and hypothecation of movable fixed assets on pari passu basis of Ankleshwar Unit and hypothecation of proposed plant & Machinery created out of bank finance on first charge basis in Ankleshwar unit, Rs. 21.58 million (Previous year Rs. 32.36 million) Secured by second charge on Current Assets of the Company and movable fixed assets of Ankleshwar Division and Rs. 79.89 million (previous year Rs. 110.82 million) Secured by second charge on entire fixed assets of the Naidupet and Vizag Division.

2 Loan of Rs. 489.09 million (previous year 426.96 million) Secured by hypothecation of Current Assets of the Company and movable fixed assets on pari passu basis of Ankleshwar Division and Rs. 100 million (previous year Nil) secured by subservient charge on entire current assets of the company and movable fixed assets of the Ankleshwar Division, first charge on movable fixed assets of Solar Power Unit and exclusive charge on cash flow of Solar Power Unit.

Repayment Schedule:

Term Loan	Interest Rate	Repayment Terms	Outstanding as at	
			31st March 2024	31st March 2023
EXIM Bank Rupee Loan	Bank's MCLR plus 160 bps	28 quarterly structured instalments	206.65	259.60
EXIM Bank Foreign Currency Loan	USD SOFR (3M) plus 370 bps	24 quarterly structured instalments	220.87	289.45
EXIM Bank GECL Loan	Bank's LTMLR	48 Monthly instalments beginning	79.89	110.82
Yes Bank GECL Loan	Bank's MCLR (1Y) plus 0.45 bps	48 Monthly instalments beginning	13.66	20.78
HDFC Bank GECL Loan	Bank's MCLR (3M) plus 0.55 bps	48 Monthly instalments beginning from Sept., 2022	7.92	11.58
State Bank of India Rupee Loan*	8.75%	24 quarterly instalments beginning from March, 2026	105.90	-
Vardhan Limited (ICD)	8.25%	December, 2025	125.00	125.00
Total Term Loan			**759.89**	**817.23**

* Major part of the Loan has been converted into FCNR(B) Loan bearing cost of 7.92 % on a fully hedged basis.

18: Other Financial Liabilities

	31st March 2024		31st March 2023	
	Non-Current	Current	Non-Current	Current
Interest Accrued	-	8.76	-	9.29
Security Deposits	0.21	9.15	-	9.80
Liabilities for Capital Goods	-	44.57	-	20.88
Unpaid Dividend[1]	-	3.53	-	4.11
Employee related Liabilities	-	19.88	-	26.54
Other Liabilities	-	55.33	-	54.61
Total Other Financial Liabilities	**0.21**	**141.22**	**-**	**125.23**

1 These figures does not include any amount, due and outstanding, to be credited to Investor Education and Protection Fund except Rs. 1.68 million (previous year Rs. 1.55 million) which is held in abeyance due to legal case pending.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

19: Provisions

(Rs. in million)

	31st March 2024		31st March 2023	
	Non-Current	Current	Non-Current	Current
Provision for Employee Benefits	87.12	39.58	61.14	67.56
Total Provisions	**87.12**	**39.58**	**61.14**	**67.56**

20: Income Tax

A. Deferred Tax

The major components of deferred tax liabilities/assets arising on account of timing differences are as follows:

	1st April 2023	Profit & Loss (Net)	OCI (Net)	31st March 2024
Deferred Tax Liability				
Timing Difference on PPE & Intangible Assets	764.84	(4.23)	-	760.61
Fair Value of Investments	4.87	3.86	0.10	8.83
Others	-	1.87	-	1.87
Deferred Tax Assets				
MAT Credit Entitlement	201.11	(18.21)	-	182.90
Unabsorbed Business Losses/Depreciation/Capital Loss	-	42.88	-	42.88
Expenses relating to Retirement Benefits	44.97	(1.49)	0.79	44.27
Others	0.32	0.02	-	0.34
Net Deferred Tax Liabilities	**523.31**	**(21.70)**	**(0.69)**	**500.92**

	1st April 2022	Profit & Loss (Net)	OCI (Net)	31st March 2023
Deferred Tax Liability				
Timing Difference on PPE & Intangible Assets	727.00	37.84	-	764.84
Fair Value of Investments	15.01	(10.20)	0.06	4.87
Deferred Tax Assets				
MAT Credit Entitlement	180.56	20.55	-	201.11
Unabsorbed Business Losses/Depreciation	3.19	(3.19)	-	-
Expenses relating to Retirement Benefits	43.96	1.34	(0.33)	44.97
Others	0.30	0.02	-	0.32
Net Deferred Tax Liabilities	**514.00**	**8.92**	**0.39**	**523.31**

B: Reconciliation of tax expense on the accounting profit for the year:

	31st March 2024	31st March 2023
Profit/(Loss) before income tax	**(32.87)**	**89.22**
At India's statutory Income tax rate of 34.944%	(11.49)	31.17
Tax effect on non-deductible expenses	0.90	0.65
Effect of income exempt from tax	-	(0.04)
Others*	(29.32)	(1.83)
Tax for earlier years	18.18	-
Tax expenses reported in the statement of profit and loss	**(21.73)**	**29.95**

* Others include items of lower tax rate, indexation and fair value changes etc.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

21: Trade Payable

(Rs. in million)

	31st March 2024	31st March 2023
Trade Payable		
Total outstanding dues of Micro and Small Enterprises	18.21	58.39
Total outstanding dues of creditors other than Micro and Small Enterprises	789.45	566.92
Total Trade Payables	**807.66**	**625.31**
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each financial year.		
i. Principal	18.21	58.39
ii. Interest	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

The above information has been compiled in respect of parties to the extent to which they could be identified as Micro and Small Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 on the basis of information available with the Company.

Trade Payable Ageing Schedule

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	31st March 2024
i. MSME	18.21	-	-	-	-	18.21
ii. Others	769.98	18.83	0.08	0.25	0.31	789.45
iii. Disputed dues-MSME	-	-	-	-	-	-
iv. Disputed dues-Others	-	-	-	-	-	-
Total	**788.19**	**18.83**	**0.08**	**0.25**	**0.31**	**807.66**

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	31st March 2023
i. MSME	58.39	-	-	-	-	58.39
ii. Others	533.01	33.52	0.09	0.00	0.30	566.92
iii. Disputed dues-MSME	-	-	-	-	-	-
iv. Disputed dues-Others	-	-	-	-	-	-
Total	**591.40**	**33.52**	**0.09**	**0.00**	**0.30**	**625.31**

22: Other Current Liabilities

	31st March 2024	31st March 2023
Statutory Liabilities	24.04	15.55
Customers' Credit Balances	19.10	3.37
Total Other Current Liabilities	**43.14**	**18.92**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

23: Revenue from Operations

(Rs. in million)

	31st March 2024	31st March 2023
(a) Sale of Products		
Manufactured products		
Alco Chemicals	5,679.44	6,663.53
Solar Power	16.70	25.82
	5,696.14	**6,689.35**
Traded products		
Methanol	11.61	-
Total Sale	**5,707.75**	**6,689.35**
(b) Other Operating Revenues		
Miscellaneous Sales	74.47	62.28
Export benefits	3.09	0.47
Total Other Operating Revenues	**77.56**	**62.75**
Total Revenue from Operations	**5,785.31**	**6,752.10**

24: Other Income

	31st March 2024	31st March 2023
Interest Income		
On Investments	-	0.03
From Related Parties	47.76	40.54
From Others	2.85	1.70
Dividend Income	0.20	0.14
Gain/(Loss) on Sale of Investments (Net)	132.49	36.44
Fair value gain/(loss) on Financial Instruments classified as FVTPL (Net)	16.56	(43.82)
Profit on Fixed Assets sold/discarded (Net)	22.52	94.82
Foreign Exchange Rate Fluctuation (Net)	7.91	52.08
Guarantee fee from Related Parties	15.75	17.15
Rent Income	4.01	2.69
Liabilities Written Back	0.81	3.64
Other Non Operating Income	1.73	2.26
Total Other Income	**252.59**	**207.67**

25: Change in Inventories of Finished Goods and Work-in-Progress

	31st March 2024	31st March 2023
Opening Stock		
Finished Goods	159.78	120.00
Work-In-Progress	10.16	10.84
	169.94	**130.84**
Closing Stock		
Finished Goods	238.44	159.78
Work-In-Progress	12.44	10.16
	250.88	**169.94**
Change in Inventories		
Finished Goods	(78.66)	(39.78)
Work-In-Progress	(2.28)	0.68
Total Change in Inventories of Finished Goods and Work-in-Progress	**(80.94)**	**(39.10)**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

26: Employee Benefits Expense

(Rs. in million)

	31st March 2024	31st March 2023
Salaries, Wages, Bonus & Gratuity etc. (including payments to Contractors)	334.93	349.11
Contribution to Provident Fund	17.29	17.11
Staff Welfare Expenses	21.17	22.51
Total Employee Benefits Expense	**373.39**	**388.73**

27: Other Expenses

	31st March 2024	31st March 2023
Consumption of Stores & Spare parts etc.	143.43	155.31
Other Manufacturing Expenses	32.48	36.30
Power & Fuel	404.56	398.05
Repairs to -		
Plant & Machinery	60.90	79.15
Buildings	3.81	3.53
Others	8.82	11.23
Water Charges & Cess	55.06	54.13
Rates & Taxes	9.18	8.90
Rent	7.02	7.29
Insurance	19.26	20.42
Legal and Professional Charges	49.01	24.27
Miscellaneous Expenses	56.45	57.99
CSR Expenditure (Refer Note No. 33)	2.57	1.85
Fair value loss on Forward Contract	0.03	-
Commission & Brokerage to Others	15.46	11.16
Freight, Handling & Other Charges	79.20	71.76
Directors' Fees	1.95	1.85
Travelling Expenses	10.44	13.95
Provision for bad & doubtful Debts & Advances (Net)	0.04	(0.04)
Unrealized Debts and Claims written off	0.02	0.20
Payment to Auditors	2.60	2.54
Total Other Expenses	**962.29**	**959.84**

Additional Information regarding Payment to Auditors

	31st March 2024	31st March 2023
(a) Statutory Auditors		
Audit Fees	1.00	1.00
For Certificates & Others	1.39	1.33
For Travelling and out of pocket expenses	0.04	0.05
(b) Cost Auditors		
Audit Fees	0.17	0.16
Total payment to Auditors	**2.60**	**2.54**

28: Finance Costs

	31st March 2024	31st March 2023
Interest Expense	108.70	82.83
Exchange difference regarded as an adjustment to Borrowing Cost	0.90	9.26
Bank/Finance charges	5.76	2.95
Total Finance Cost	**115.36**	**95.04**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

29: Exceptional Items

(Rs. in million)

	31st March 2024	31st March 2023
i) Write down in the value of Solar Power receivables in respect of power supplied to Discom from 1st April, 2019 to 31st March, 2023 from Rs. 3.14/kWh to Rs. 2.24/kWh based on the order dated 27th July, 2023 passed by the Rajasthan Electricity Regulatory Commission.	27.08	-
ii) Gain in respect of power imported by the Solar Plant on reduction of tariff from Rs. 11.60/kwh to Rs. 2.24/kwh as per new PPA signed on 12th September, 2023	(2.87)	-
Total Exceptional Items	24.21	-

30: Other Comprehensive Income (OCI)

	31st March 2024	31st March 2023
A. Items that will not be reclassified to Profit or Loss		
1. Actuarial Gain/(Loss) on Defined Benefit Plan	(2.27)	0.94
Deferred Tax	0.79	(0.33)
2. Net Gain/(Loss) on Equity instruments designated as FVTOCI	0.92	0.54
Deferred Tax	(0.10)	(0.06)
Net OCI not to be reclassified to Profit or Loss	**(0.66)**	**1.09**
B. Items that will be reclassified to Profit or Loss		
(Gain)/Loss transferred to Profit or Loss on reclassification of Debt Securities	-	-
Net OCI to be reclassified to Profit or Loss	**-**	**-**
Other Comprehensive Income for the year, net of tax	**(0.66)**	**1.09**

31: Earning per Share (EPS)

	31st March 2024	31st March 2023
Details for calculation of Basic and Diluted Earning per Share:		
Profit/(Loss) after Tax as per Statement of Profit and Loss	(11.14)	59.27
Weighted average number of Equity Share	43,693,333	43,693,333
Basic and Diluted Earning per Share (Rs.) (Face Value Rs. 5 each)	(0.25)	1.36

32: Commitments and Contingencies

	31st March 2024	31st March 2023
(i) Contingent Liabilities		
(a) Claims/Disputed Liabilities not acknowledged as Debt		
Service Tax Demands	0.40	0.40
Sales Tax Demands (paid Rs. 0.43 million)	0.43	0.43
GST Demands (paid Rs. 1.35 million)	1.35	-
Customs & Central Tax Demands	7.65	1.73
Income Tax Demands (paid Rs. 12.63 million)	103.24	88.98
Other Claims being disputed by the Company (paid Rs. 1.50 million)	5.56	5.56
(b) Outstanding Bank Guarantees	49.82	47.50
Future cash flows in respect of Contingent Liabilities are determinable only on receipt of judgements pending at various forums/authorities.		
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	174.12	-
Advances paid	42.17	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

33: CSR Activities

(Rs. in million)

	31st March 2024	31st March 2023
Gross amount required to be spent by the Company during the year	**2.60**	**1.82**
Amount of expenditure incurred on :		
Total of previous years shortfall	-	-
(i) Construction/acquisition of any Asset	-	-
(ii) Purposes other than (i) above*	2.57	1.85
Shortfall at the end of the year	-	-
Reason for shortfall	NA	NA
Nature of CSR activities	a) Skill Development for Youth b) Water harvesting & conservation Program c) Digital empowerment for illiterate women d) Eradicating hunger and malnutrition	a) Promotion of Education, b) Promoting health care including preventive health care c) Contribution to cause for inequalities faced by socially and economically backward group and d) Citizen Assistance & Relief in Emergency Situations
Details of related party transactions	NIL	NIL

*Rs. 0.03 million surplus of previous year set off during the year.

34: Details of pre-operative expenses capitalsed

	31st March 2024	31st March 2023
Cost of Materials Consumed	-	8.48
Consumption of Stores & Spare parts etc.	-	0.02
Employee Benefit Expenses	-	4.72
Other Expenses	1.33	2.67
Finance Costs	6.82	-
	8.15	15.89
Less:		
Sale of Manufactured products	-	6.64
Miscellaneous Sales	-	0.19
Other Non Operating Income	-	1.52
	8.15	7.54

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

35: Segment Information

The Company is organised into business units based on its products and services and has following reportable segments:

I. Alco Chemicals

II. Solar Power

(A) Primary Segment information (by Business segment)

(Rs. in million)

Business Segment	Year ended 31st March 2024			Year ended 31st March 2023		
	Alco Chemicals	Solar Power	Total	Alco Chemicals	Solar Power	Total
Segment Revenue Revenue from Operations	5,768.61	16.70	5,785.31	6,726.28	25.82	6,752.10
Segment Result	33.40	(27.50)	5.90	150.40	(23.25)	127.15
Less: (i) Finance Costs			115.36			95.04
(ii) Exceptional Item			24.21			-
(iii) Un-allocable expenditure net off Un-allocable income			(100.81)			(57.11)
Profit before Tax			**(32.87)**			**89.22**
Tax Expense			(21.73)			29.95
Net Profit:			**(11.14)**			**59.27**
Segment Assets	5,467.00	61.05	5,528.05	5,210.39	179.49	5,389.88
Un-allocable Corporate Assets			3,913.50			3,680.30
Total Assets:			**9,441.55**			**9,070.18**
Segment Liabilities	1,017.36	3.96	1,021.32	806.53	2.66	809.19
Un-allocable Corporate Liabilities			2,027.51			1,856.47
Total Liabilities:			**3,048.83**			**2,665.66**
Other Disclosures						
Capital Expenditure	355.17	-	355.17	327.56	0.08	327.64
Un-allocable Capital Expenditure			1.61			4.93
Total Capital Expenditure:			**356.78**			**332.57**
Depreciation & Amortization	175.52	31.88	207.40	169.03	35.18	204.21
Un-allocable Depreciation			7.21			7.73
Total Depreciation & Amortization:			**214.61**			**211.94**

(B) Secondary Segment information

Not applicable, as all the plants of the Company are located in India and Exports does not constitute 10% or more of total Segment Revenue.

(C) Other Disclosures

Basis of pricing inter/Intra segment transfer and any change therein:

At prevailing market-rate at the time of transfers.

Segment Accounting Policies

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company.

Type of products included in each reported business segment:

Alco Chemicals business includes Pentaerythritol, Sodium Formate, Acetaldehyde, Formaldehyde, Hexamine and Resin etc. and Solar Power business includes Power generation.

36: The Company, based on a Resolution passed by the Board of Directors on 3rd May, 2024, has entered into a Memorandum of Understanding for sale of its Solar Power Division by way of slump sale and on a going concern basis, at a consideration of Rs. 82 million.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

37: Disclosures as required under Indian Accounting Standard 19 on "Employee Benefits"

A. Defined Benefit Plan

The Company has unfunded scheme for payment of gratuity to all eligible employees calculated at specified number of days of last drawn salary depending upon tenure of service for each year of completed service subject to minimum five years of service payable at the time of separation upon superannuation or on exit otherwise.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the Post - retirement benefit plans.

(Rs. in million)

Particulars	31st March 2024	31st March 2023
	Gratuity	Gratuity
1. Change in the Present Value of Obligation		
- Present Value of Obligation as at the beginning	103.92	100.48
- Current Service Cost	5.52	6.65
- Interest Expense or Cost	7.76	7.28
- Actuarial (gains) / losses arising from:		
change in demographic assumptions	-	-
change in financial assumptions	1.65	(1.07)
experience variance	0.62	0.13
- Benefits paid	(15.69)	(9.55)
- Present Value of Obligation as at the end	103.78	103.92
2. Expenses recognised in the Statement of Profit & Loss		
- Current Service Cost	5.52	6.65
- Interest Expense or Cost	7.76	7.28
Total	**13.28**	**13.93**
3. Other Comprehensive Income		
- Actuarial (gains) / losses arising from:		
change in demographic assumptions	-	-
change in financial assumptions	1.65	(1.07)
experience variance	0.62	0.13
Total	**2.27**	**(0.94)**
4. Actuarial Assumptions		
(a) Financial Assumptions		
Discount rate (per annum)	7.15%	7.45%
Salary growth rate (per annum)	7.00%	7.00%
(b) Demographic Assumptions		
Mortality rate (% of IALM 2012-14)	100.00%	100.00%
Attrition/Withdrawal rates, based on age: (per annum)		
up to 44 years	2.00%	2.00%
above 44 years	1.00%	1.00%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

5. Sensitivity Analysis

The Sensitivity Analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation. For presenting the sensitivities, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.

The impact of Sensitivity analysis on Defined Benefit Plan is given below:

(Rs. in million)

Particulars	31st March 2024	31st March 2023
Discount rate increase by 1%	(98.65)	(99.00)
Discount rate decrease by 1%	109.54	109.52
Salary Growth rate increase by 1%	109.49	109.49
Salary Growth rate decrease by 1%	(98.60)	(98.93)

6. Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cash flow)	5 years
Expected cash flow over the next (valued on undiscounted basis)	
1 year	16.65
2 to 5 years	66.08
6 to 10 years	28.09
More than 10 years	57.00

7. Description of Risk Exposures

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

Liquidity Risk: This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Regulatory Risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

B. Defined Contribution Plan

The Company contributes 12% of salary for all eligible employees towards Provident Fund managed either by approved trust or by the Central Government and debit the same to statement of Profit and Loss. The provident fund set up by the employers, require interest shortfall to be met by the employers. The fund set up by the Company had a interest shortfall of Rs. 1.70 million which was paid by the company. The amount debited to Statement of Profit and Loss towards Provident Fund contribution during the year was Rs. 17.29 million (previous year Rs. 17.11 million).

38: Details of Loans given, Guarantees given and Security provided under Section 186 (4) of the Companies Act, 2013.

(Rs. in million)

Name of the Company	Relation	Nature	Purpose	31st March 2024	31st March 2023
APAG Holding AG	Subsidiary	Loans (Interest Bearing)	Capital Expenditure, Working Capital and acquisition	596.94	635.62
Kanoria Africa Textiles Plc	Subsidiary	Loans (Interest Bearing)	Capital Expenditure and Working Capital	762.63	451.91
Kanoria Africa Textiles Plc	Subsidiary	Pledge of shares of Kanoria Africa Textiles Plc	Borrowing by Kanoria Africa Textiles Plc from Export-Import Bank of India	1,619.97	1,619.97
APAG Elektronik s.r.o [1]	Subsidiary	Corporate Guarantee	Borrowing by APAG Elektronik s.r.o from Ceskoslovenska obchodni banka, a.s.	-	357.10
Kanoria Africa Textiles Plc [2]	Subsidiary	Corporate Guarantee	Borrowing by Kanoria Africa Textiles Plc from Export-Import Bank of India	1,666.93	1,642.26

[1] Loan Outstanding Rs. Nil (Previous year Rs. 37.33 million)

[2] Loan Outstanding Rs. 1,162.24 million (Previous year Rs. 1,302.20 million)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

39: Category-wise classification of Financial Instruments

(Rs. in million)

	Refer Note	Non-Current		Current	
		31st March 2024	31st March 2023	31st March 2024	31st March 2023
Financial Assets					
Measured at cost					
Investments	6A	1,938.81	2,011.45	-	-
Measured at amortised cost					
Trade Receivables	11	-	-	778.78	858.70
Cash and cash equivalents	12A	-	-	0.27	0.43
Other Bank balances	12B	-	-	4.76	4.45
Loans	7	1,051.40	827.54	310.87	264.53
Other Financial Assets	8	22.97	22.76	151.86	112.79
Measured at fair value through profit or loss					
Investments	6A&B	110.36	84.53	28.85	65.09
Measured at fair value through other comprehensive income					
Investments	6A	18.89	17.97	-	-
Total Financial Assets		**3,142.43**	**2,964.25**	**1,275.39**	**1,305.99**
Financial Liabilities					
Measured at amortised cost					
Borrowings	17	581.64	650.47	847.34	593.72
Trade Payables	21	-	-	807.66	625.31
Other Financial Liabilities	18	0.21	-	141.22	125.23
Total Financial Liabilities		**581.85**	**650.47**	**1,796.22**	**1,344.26**

40: Fair Value Measurements of Financial Instruments

The following table provides fair value measurement hierarchy of the Company's financial assets and liabilities:

Financial assets/financial liabilities	Fair value hierarchy as at 31st March 2024			Fair value hierarchy as at 31st March 2023		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value through profit or loss						
Unquoted Alternate Investment funds	-	139.21	-	-	149.62	-
Financial assets measured at fair value through other comprehensive income						
Quoted Equity Shares	10.53	-	-	9.61	-	-
Unquoted Equity Shares	-	-	8.36	-	-	8.36

Financial Instruments measured at amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair value since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

41: Financial Risk Management - Objectives and Policies

The company's principal financial liabilities comprise borrowings, trade payables, other financial liabilities and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets include investments, trade receivables, cash and cash equivalents, other bank balances, loans and other financial assets.

The Company is exposed to market risk, credit risk and liquidity risk. The Company has a Risk management policy and its management is supported by a Risk management committee that advises on risks and the appropriate risk governance framework for the Company. The Risk management committee provides assurance to the Company's management that the Company's risk activities are governed by appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and other price risk, such as commodity price risk and equity price risk. Financial instruments affected by market risk include FVTOCI investments, FVTPL investments, trade payables, trade receivables, etc.

(a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a foreign currency exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company monitors the foreign exchange fluctuations on continuous basis and advises the management of any material adverse effect on the Company and for taking risk mitigation measures. The Company enters into forward exchange contracts against its foreign currency exposure relating to underlying liabilities and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD, Euro and JPY exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to likely changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

(Rs. in million)

	31st March 2024						31st March 2023					
	USD	INR	EURO	INR	JPY	INR	USD	INR	EURO	INR	JPY	INR
Foreign Currency Receivable/ (Payable) (Net)	5.43	448.03	6.25	562.76	(15.90)	(8.76)	4.17	338.24	6.46	576.40	(9.78)	(6.05)
Depreciation in Indian Rupees		5%		5%		5%		5%		5%		5%
Effect on Profit before Tax		22.40		28.14		(0.44)		16.91		28.82		(0.30)
Appreciation in Indian Rupees		5%		5%		5%		5%		5%		5%
Effect on Profit before Tax		(22.40)		(28.14)		0.44		(16.91)		(28.82)		0.30

Total hedged foreign currency payable - USD 1.28 million equivalent to Rs. 106.35 Million (Previous year - NIL).

(b) Commodity price risks

The company is affected by the price volatility of methanol, one of its major raw material. Its operating activities require a continuous supply of methanol. The Company monitors price and demand/supply situation on continuous basis and advises the management of any material adverse effect on the Company and for taking risk mitigation measures.

Commodity price sensitivity

The following table shows the effect of price changes in Methanol on Profit before Tax, with all other variable held constant:

(Rs. in million)

	31st March 2024		31st March 2023	
Consumption of Methanol	3,291.47		3,648.92	
Price change	+5%	-5%	+5%	-5%
Effect on Profit before Tax	(164.57)	164.57	(182.45)	182.45

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(c) Equity price risks

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments/mutual funds. Reports on the investment portfolio are submitted to the Company's management on a regular basis.

Equity price sensitivity

The following table shows the effect of price changes in quoted and unquoted equity shares, unquoted alternative investment funds.

(Rs. in million)

	31st March 2024		31st March 2023	
Investment	158.10		167.59	
Price change	+5%	-5%	+5%	-5%
Effect on Profit before Tax	7.91	(7.91)	8.38	(8.38)

(ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

Trade receivables

An impairment analysis is performed at each reporting date on an individual basis for all the customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on credit losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed as the Company does not hold collateral as security. The Company has evaluated the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries.

(iii) Liquidity risk

Liquidity risk is the risk that Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial asset and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

The table below analyse the financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amount disclosed in the table are the contractual undiscounted cash flow.

	Less than 1 year	1 to 5 years	Over 5 years	Total	Carrying Value
As at 31st March, 2024					
Borrowings (refer note 17)	847.34	587.44	-	1,434.78	1,428.98
Trade payable (refer note 21)	807.66	-	-	807.66	807.66
Other financial liabilities (refer note 18)	141.22	0.21	-	141.43	141.43
As at 31st March, 2023					
Borrowings (refer note 17)	593.72	651.17	-	1,244.89	1,244.19
Trade payable (refer note 21)	625.31	-	-	625.31	625.31
Other financial liabilities (refer note 18)	125.23	-	-	125.23	125.23

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

42: Capital Management

The Company's objective when managing capital (defined as net debt and equity) are to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefit for other stakeholders, while protecting and strengthening the balance sheet through the appropriate balance of debt and equity funding. The Company manages its capital structure and makes adjustments to it, in light of changes to economic conditions and strategic objectives of the Company. The Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

43: Related Party Disclosures:

(i) List of related parties and relatives with whom transactions have taken place:

Name of the Related Parties	Relationship
1. Vardhan Limited	Holding Company
2. Kanoria Africa Textiles Plc, Ethiopia	Subsidiary Companies
3. APAG Holding AG, Switzerland	
4. APAG Elektronik AG, Switzerland	
5. APAG Elektronik s.r.o., Czech Republic	
6. CoSyst Control Systems GmbH, Germany	
7. APAG Elektronik LLC, USA	
8. APAG Elektronik Corp., Canada	
9. Mr. R. V. Kanoria - Chairman & Managing Director	Key Management Personnel (KMP)
10. Mr. S. V. Kanoria - Whole Time Director	
11. Mr. Amitav Kothari - Director	
12. Mr. H.K. Khaitan - Director	
13. Mr. Sidharth K. Birla - Director	
14. Mr. A. Vellayan - Director	
15. Mrs. M. Kanoria - Director	
16. Mrs. Suhana Murshed - Director	
17. Mr. A. V. Kanoria	Relative of KMP
18. Mrs. V. Kanoria	
19. KPL International Limited	Enterprise over which KMP exercises significant influence
20. Kirtivardhan Finvest Services Limited	
21. R V Investment & Dealers Limited	
22. Ludlow Jute & Specialities Limited	
23. Fytomax Nutrition Pvt Ltd	
24. Cosyst Holding AG	
25. Kanoria Employees' Provident Fund Trust	Post Employment Benefit Plan entity

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(ii) Transaction with related parties:

(Rs. in million)

Nature of Transaction	2023-2024				2022-2023			
	Holding/ Subsidiary Companies	KMP/ Relative of KMP	Enterprise over which KMP exercises significant influence	Post Employment Benefit Plan entity	Holding/ Subsidiary Companies	KMP/ Relative of KMP	Enterprise over which KMP exercises significant influence	Post Employment Benefit Plan entity
Dividend Paid								
Vardhan Limited	-	-	-	-	26.19	-	-	-
R V Investment & Dealers Limited	-	-	-	-	-	-	3.21	-
Kirtivardhan Finvest Services Limited	-	-	-	-	-	-	1.15	-
Mr. R. V. Kanoria	-	-	-	-	-	0.46	-	-
Mr. S. V. Kanoria	-	-	-	-	-	0.56	-	-
Mr. A. Vellayan	-	-	-	-	-	0.02	-	-
Mrs. M. Kanoria	-	-	-	-	-	0.50	-	-
Mr. A. V. Kanoria	-	-	-	-	-	0.43	-	-
Directors' Fees								
Mr. Amitav Kothari	-	0.36	-	-	-	0.22	-	-
Mr. H.K. Khaitan	-	0.42	-	-	-	0.39	-	-
Mr. Ravinder Nath	-	-	-	-	-	0.14	-	-
Mr. G. Parthasarathy	-	-	-	-	-	0.14	-	-
Mr. Sidharth K Birla	-	0.39	-	-	-	0.32	-	-
Mr. A. Vellayan	-	0.27	-	-	-	0.24	-	-
Mrs. M. Kanoria	-	0.26	-	-	-	0.21	-	-
Mrs. Suhana Murshed	-	0.25	-	-	-	0.20	-	-
Borrowings								
Vardhan Limited	145.00	-	-	-	125.00	-	-	-
R V Investment & Dealers Limited	-	-	70.00	-	-	-	-	-
Repayment of Borrowings								
Vardhan Limited	145.00	-	-	-	-	-	-	-
R V Investment & Dealers Limited	-	-	70.00	-	-	-	-	-
Interest Expenses for the year								
Vardhan Limited	12.41	-	-	-	3.39	-	-	-
R V Investment & Dealers Limited	-	-	0.53	-	-	-	-	-
Investments								
APAG Holding AG	-	-	-	-	144.14	-	-	-
Loans & Advances Given								
Kanoria Africa Textiles PLC	276.28	-	-	-	-	-	-	-
APAG Holding AG	-	-	-	-	159.24	-	-	-
Receipt towards Loans & Advances Repayment								
APAG Holding AG	44.43	-	-	-	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Rs. in million)

Nature of Transaction	2023-2024				2022-2023			
	Holding/ Subsidiary Companies	KMP/ Relative of KMP	Enterprise over which KMP exercises significant influence	Post Employment Benefit Plan entity	Holding/ Subsidiary Companies	KMP/ Relative of KMP	Enterprise over which KMP exercises significant influence	Post Employment Benefit Plan entity
Interest & Fee Income for the year Kanoria Africa Textiles PLC	41.85	-	-	-	37.17	-	-	-
APAG Holding AG	21.54	-	-	-	19.78	-	-	-
APAG Elektronik s.r.o.	0.11	-	-	-	0.74	-	-	-
Remuneration Mr. R. V. Kanoria	-	0.58	-	-	-	0.57	-	-
Mr. S. V. Kanoria	-	17.69	-	-	-	17.70	-	-
Commission Paid KPL International Limited	-	-	2.24	-	-	-	0.63	-
Rent received KPL International Limited	-	-	1.20	-	-	-	1.02	-
Goods Sold Ludlow Jute & Specialities Limited	-	-	-	-	-	-	0.30	-
Sale of Plant & Equipment Fytomax Nutrition Pvt Ltd	-	-	45.00	-	-	-	-	-
Sale of Intangible Assets under Development Fytomax Nutrition Pvt Ltd	-	-	15.00	-	-	-	-	-
Rent received Fytomax Nutrition Pvt Ltd	-	-	0.05	-	-	-	0.05	-
Sale of Investment Cosyst Holding AG	-	-	223.82	-	-	-	-	-
Contribution during the year (includes Employees' share and contribution) Kanoria Employees' Provident Fund Trust	-	-	-	4.39	-	-	-	4.39
Balances as at 31st March Borrowings Vardhan Limited	125.00	-	-	-	125.00	-	-	-
Investments Kanoria Africa Textiles PLC	1,444.17	-	-	-	1,444.17	-	-	-
APAG Holding AG	494.64	-	-	-	567.28	-	-	-
Loans & Advances Kanoria Africa Textiles PLC	799.49	-	-	-	488.77	-	-	-
APAG Holding AG	596.94	-	-	-	635.62	-	-	-
Interest and fees Receivable Kanoria Africa Textiles PLC	96.74	-	-	-	79.90	-	-	-
APAG Holding AG	41.52	-	-	-	19.78	-	-	-
APAG Elektronik s.r.o.	0.11	-	-	-	0.74	-	-	-
Remuneration Payable Mr. R. V. Kanoria	-	0.17	-	-	-	0.13	-	-
Mr. S. V. Kanoria	-	0.16	-	-	-	0.14	-	-
Creditor KPL International Limited	-	-	0.37	-	-	-	0.18	-
Rent Receivable Fytomax Nutrition Pvt Ltd	-	-	0.00	-	-	-	0.00	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

44: Analytical Ratios

Ratios	Numerator	Denominator	2023-24	2022-23	% Variation
Current Ratio	Current Assets	Current Liabilities	1.14	1.44	-21%
Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.22	0.19	15%
Debt Services Coverage Ratio	Earning available for Debt Service	Debt Service	1.14	1.83	-38%
Return on Equity Ratio	Net profit after tax	Average Shareholder's Equity	(0.17)	0.93	-119%
Inventory Turnover Ratio	Total Sales	Average Inventory	10.49	12.78	-18%
Trade Receivables Turnover Ratio	Total Sales	Average Trade Receivable	6.97	6.68	4%
Trade Payables Turnover Ratio	Total Purchases	Average Trade Payable	6.35	7.24	-12%
Net Capital Turnover Ratio	Total Sales	Working Capital	22.13	10.74	106%
Net Profit Ratio	Net Profit	Total Income	-0.18%	0.85%	-122%
Return on Capital Employed	Earning before Interest & Tax	Equity+Debt+Deferred Tax	0.99%	2.25%	-56%
Return on Investments	Income from Investments	Average Investment	-0.71%	-3.18%	78%

Reasons for Variance in excess of 25%

i. Debt Service Coverage Ratio decreased due to increase in finance cost and loan repayment obligation.
ii. Return on Equity Ratio and Net Profit Ratio decreased due to net loss during the year as against profit in previous year.
iii. Net Capital Turnover Ratio increased due to lower net working capital requirement.
iv. Return on Capital Employed decreased due to lower profit and higher borrowings.
v. Return on Investments increased due to lower losses on investments as compare to previous year.

45: The Company does not have any transactions with companies which are struck off except the following:

Name of the struck off company	Nature of transaction	As at 31st March, 2024 (Amount in Rs.)	As at 31st March, 2023 (Amount in Rs.)	Relationship with the struck off company
Nilgiri Investment Co. Pvt. Ltd.	Shares held by struck off company	3,390.00	3,390.00	Shareholder

46: The Company has filed quarterly statements with the banks against the sanctioned working capital facilities and a reconciliations of the same between books of accounts and statements submitted is as under:

Name of the Bank	Quarter Ended	Particulars of security provided	Amount as per Books of Accounts (Rs. in million)	Amount as per Quarterly Statements (Rs. in million)	Differences (Rs. in million)	Reasons for material differences
Axis Bank, HDFC Bank and Yes Bank	June, 2023	Inventories and Debtors less Creditors	721.35	820.46	99.11	Primarily inclusion of certain liabilities not forming part of creditors for goods and debtors more than 90 days.
	September, 2023	Inventories and Debtors less Creditors	675.55	785.41	109.86	
	December, 2023	Inventories and Debtors less Creditors	734.08	835.25	101.17	
	March, 2024	Inventories and Debtors less Creditors	532.22	636.64	104.42	

Name of the Bank	Quarter Ended	Particulars of security provided	Amount as per Books of Accounts (Rs. in million)	Amount as per Quarterly Statements (Rs. in million)	Differences (Rs. in million)	Reasons for material differences
Axis Bank, HDFC Bank and Yes Bank	June, 2022	Inventories and Debtors less Creditors	761.85	893.83	131.98	Primarily inclusion of certain liabilities not forming part of creditors for goods and debtors more than 90 days.
	September, 2022	Inventories and Debtors less Creditors	828.78	927.41	98.63	
	December, 2022	Inventories and Debtors less Creditors	727.66	806.54	78.88	
	March, 2023	Inventories and Debtors less Creditors	669.76	790.32	120.56	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

47. None of the Loans or Advances in the nature of loans as at 31st March, 2024 and as at 31st March, 2023 are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are: (a) repayable on demand or (b) without specifying any terms or period of repayment.

48. The company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

49. No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made there under.

50. All the Registration of Charges or Satisfaction of Charges with the Registrar of Companies are completed within the statutory period.

51. The company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with Companies (Restriction on number of Layers) Rules, 2017.

52. The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) 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 (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

53. 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 (i) 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 (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

54. The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year ended 31st March, 2024 and 31st March, 2023 in the tax assessments under the Income Tax Act, 1961.

55. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

56. The company has not been declared wilful defaulter by any bank or financial Institution or other lender.

57. Figures for the previous year have been regrouped/rearranged, wherever found necessary.

Signature to Note 1 to 57

As per our report of even date annexed

For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E

RAJIV SINGHI
Partner
Membership No. 053518

Place: Kolkata
Date: 28th May, 2024

For and on behalf of the Board

SIDHARTH K. BIRLA
Director
(DIN:00004213)

R. V. KANORIA
Managing Director
(DIN:00003792)

N. K. NOLKHA
Group Chief Financial Officer

NEHA SARAF
Company Secretary
(ACS: 27024)

INDEPENDENT AUDITOR'S REPORT

To the Members of
KANORIA CHEMICALS & INDUSTRIES LIMITED
REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated financial statements of **M/S. KANORIA CHEMICALS & INDUSTRIES LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (collectively referred to as 'the Group') comprising of the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024 and their consolidated loss and other comprehensive income, their consolidated statement of changes in equity and their consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group 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 consolidated financial statements under the provisions of the Act and the Rules there under, 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, and the audit evidence obtained by the other auditors in terms of their reports referred to in other matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, but does not include consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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.

RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for preparation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the relevant rules issued there under. The respective Board of Directors / Management of

INDEPENDENT AUDITOR'S REPORT

the companies included in the Group is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding 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 Group'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 consolidated 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 Group to cease to continue as a going concern.

e. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

f. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding Company included in the consolidated financial statements of which we are the independent

INDEPENDENT AUDITOR'S REPORT

auditors 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 consolidated financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure of 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 interests of such communication.

OTHER MATTERS

We did not audit the consolidated financial statements of APAG Holding AG and standalone financial statements of Kanoria Africa Textiles PLC, the foreign subsidiaries of Holding Company whose financial statements and other financial information reflect total assets of Rs 8,641.44 million as at March 31, 2024, and total revenues of Rs. 8993.40 million, total net loss after tax of Rs. 541.65 million, total comprehensive income of Rs. (569.04) million for the year ended on that date and net cash outflows of Rs. 76.21 million for the year ended March 31, 2024, as considered in the financial statements which have been audited by their respective independent auditors.

The independent auditor's report on the financial statements of these entities have been furnished to us by the Management and our opinion on the financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph below.

Both the subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our report on the consolidated financial statement is not modified in respect of the above matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
   b. In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
   c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
   d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with complies (Indian accounting standards) Rules, 2015, as amended from time to time.
   e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2024 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 with reference to the consolidated financial statement of the Group and the operating effectiveness of such controls, refer to our separate Report in Annexure 'A'.

INDEPENDENT AUDITOR'S REPORT

g. According to the information and explanations given to us and based on our examination of the records of the Holding Company, the Holding Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

   i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements – Refer Note 33 to the consolidated financial statements.

   ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company except for Rs 1.68 million which is held in abeyance due to pending legal cases.

   iv. (a) The Holding Company's management has represented that, to the best of its knowledge and belief, as disclosed in the notes to accounts, during the year no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("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 behalf of the Company (Ultimate beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries (Refer Note 50 to the consolidated financial statements).

   (b) The Holding Company's management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, during the year no funds have been received by the Company from any persons or entities, including foreign entities ("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 (Refer Note 51 to the consolidated financial statements).

   (c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances; nothing has come to our attention that cause us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under paragraph (h) (iv) (a) & (b) above, contain any material mis-statement.

v. The Holding Company has not declared any dividend in previous financial year which has been paid in current year. Further, no dividend has been declared in current year. Accordingly, the provision of section 123 of the Act is not applicable to the company.

vi Based on our examination, which included test checks, the Holding Company has used accounting software and payroll application for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software/application. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

For Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E

Rajiv Singhi
Partner
Membership No. 053518
UDIN: 24053518BKGXUO5464

Place: Kolkata
Dated: 28th day of May, 2024

ANNEXURE A
TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls with reference to the consolidated financial statement of **M/S. KANORIA CHEMICALS & INDUSTRIES LIMITED** ("**the Holding Company**") as of and for the year ended March 31, 2024 in conjunction with our audit of the consolidated financial statements of the Group.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE CONSOLIDATED FINANCIAL STATEMENT

The Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal financial control over financial reporting criteria established by the covered entities considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to covered entities' 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 with reference to the consolidated financial statement of the holding company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the consolidated financial statement 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 with reference to the consolidated financial statement and their operating effectiveness. Our audit of internal financial controls with reference to the consolidated financial statement included obtaining an understanding of internal financial controls with reference to the consolidated financial statement, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 holding company's internal financial controls with reference to the consolidated financial statement.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE CONSOLIDATED FINANCIAL STATEMENT

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

ANNEXURE A
TO THE INDEPENDENT AUDITOR'S REPORT

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE CONSOLIDATED FINANCIAL STATEMENT

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

OPINION

In our opinion, the holding company has in all material respects, an adequate internal financial controls with reference to the consolidated financial statement and such internal financial controls with reference to the consolidated financial statement were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Holding company considering the essential components of internal control stated in the Guidance Note.

OTHER MATTER

The subsidiaries of the Holding company are incorporated outside India accordingly the provisions of section 143(3) are not applicable to them.

For Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E

Rajiv Singhi
Partner
Membership No. 053518
UDIN: 24053518BKGXUO5464

Place: Kolkata
Dated: 28th day of May, 2024

CONSOLIDATED BALANCE SHEET

As at 31st March 2024

(Rs. in million)

Particulars	Notes	As at 31st March 2024	As at 31st March 2023
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	5A	8,114.50	8,427.42
(b) Capital Work-in-Progress	5C	456.08	98.61
(c) Goodwill on Consolidation	5B	352.50	350.95
(d) Other Intangible Assets	5B	32.50	42.81
(e) Intangible Assets Under Development	5D	11.64	1.02
(f) Financial Assets			
(i) Investments	6A	129.25	102.50
(ii) Loans	7	0.44	0.67
(iii) Others	8	37.13	33.58
(g) Other Non-Current Assets	9	141.34	34.76
Total Non-Current Assets		**9,275.38**	**9,092.32**
Current Assets			
(a) Inventories	10	2,850.11	2,776.84
(b) Financial Assets			
(i) Investments	6B	28.85	65.09
(ii) Trade Receivables	11	1,855.56	1,957.02
(iii) Cash and Cash Equivalents	12A	112.22	188.58
(iv) Bank Balances other than (iii) above	12B	19.93	24.79
(v) Loans	7	2.26	3.86
(vi) Others	8	48.14	29.73
(c) Current Tax Assets (Net)	13	136.33	119.50
(d) Other Current Assets	9	505.43	520.46
(e) Assets held for Sale	14	69.61	36.16
Total Current Assets		**5,628.44**	**5,722.03**
Total Assets		**14,903.82**	**14,814.35**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	15	218.49	218.49
Other Equity	16	5,794.25	5,835.72
Equity attributable to equity holders of the parent		**6,012.74**	**6,054.21**
Non-Controlling Interest		163.30	16.93
Total Equity		**6,176.04**	**6,071.14**
LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	2,970.68	3,199.74
(ia) Lease Liability	18	20.45	21.32
(ii) Other Financial Liabilities	19	41.61	37.98
(b) Provisions	20	87.13	61.14
(c) Deferred Tax Liabilities (Net)	21	517.93	334.87
Total Non-Current Liabilities		**3,637.80**	**3,655.05**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	2,096.54	1,876.30
(ia) Lease Liability	18	2.46	2.55
(ii) Trade Payables	22		
Total outstanding dues of Micro and Small Enterprises		18.21	58.39
Total outstanding dues of Others		2,218.61	2,247.81
(iii) Other Financial Liabilities	19	362.10	532.28
(b) Other Current Liabilities	23	326.12	277.25
(c) Provisions	20	65.94	93.58
Total Current Liabilities		**5,089.98**	**5,088.16**
Total Liabilities		**8,727.78**	**8,743.21**
Total Equity and Liabilities		**14,903.82**	**14,814.35**
Material Accounting Policies	3		

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date annexed
For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E

RAJIV SINGHI
Partner
Membership No. 053518

Place: Kolkata
Date: 28th May, 2024

For and on behalf of the Board

SIDHARTH K. BIRLA
Director
(DIN:00004213)

R. V. KANORIA
Managing Director
(DIN:00003792)

N. K. NOLKHA
Group Chief Financial Officer

NEHA SARAF
Company Secretary
(ACS: 27024)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended 31st March 2024

(Rs. in million)

Particulars	Notes	For the year ended 31st March 2024	For the year ended 31st March 2023
INCOME			
Revenue from Operations	24	14,767.21	15,784.33
Other Income	25	192.68	103.28
Total Income		**14,959.89**	**15,887.61**
EXPENSES			
Cost of Materials Consumed		9,888.85	11,436.12
Purchase of Stock-in-Trade		11.33	-
Change in Inventories of Finished Goods and Work-in-Progress	26	58.32	(273.64)
Employee Benefit Expenses	27	2,344.57	2,134.33
Other Expenses	28	1,937.06	1,763.89
Total Expenses		**14,240.13**	**15,060.70**
Profit before Finance Costs, Depreciation & Amortisation, Exceptional Items and Tax		**719.76**	**826.91**
Finance Costs	29	430.17	359.75
Depreciation and Amortisation Expenses	5A, 5B	625.03	589.29
Profit/(Loss) before Exceptional Items and Tax		**(335.44)**	**(122.13)**
Exceptional Items	30	24.21	-
Profit/(Loss) before Tax		**(359.65)**	**(122.13)**
Tax Expenses:			
Current Tax		5.91	20.42
Deferred Tax		170.17	(13.72)
Tax for earlier years		17.06	-
Profit/(Loss) for the year		**(552.79)**	**(128.83)**
OTHER COMPREHENSIVE INCOME (OCI)			
A (i) Items that will not be reclassified to Profit or Loss	31A	(1.35)	1.48
(ii) Income-tax relating to items that will not be reclassified to Profit & Loss		0.69	(0.39)
B Items that will be reclassified to Profit or Loss	31B	61.25	174.58
Other Comprehensive Income for the Year (net of tax)		**60.59**	**175.67**
Total Comprehensive Income for the Year		**(492.20)**	**46.84**
Profit/(Loss) attributable to			
Owners of the Company		(383.96)	(87.66)
Non-Controlling Interest		(168.83)	(41.17)
Other Comprehensive Income attributable to			
Owners of the Company		48.30	174.94
Non-Controlling Interest		12.29	0.73
Total Comprehensive Income attributable to			
Owners of the Company		(335.66)	87.28
Non-Controlling Interest		(156.54)	(40.44)
Earning per Share (INR) - Basic & Diluted	32	(8.79)	(2.01)
Material Accounting Policies	3		

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date annexed

For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E

RAJIV SINGHI
Partner
Membership No. 053518

Place: Kolkata
Date: 28th May, 2024

For and on behalf of the Board

SIDHARTH K. BIRLA
Director
(DIN:00004213)

R. V. KANORIA
Managing Director
(DIN:00003792)

N. K. NOLKHA
Group Chief Financial Officer

NEHA SARAF
Company Secretary
(ACS: 27024)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March 2024

(Rs. in million)

(A) Equity Share Capital

	Year ended 31st March 2024			Year ended 31st March 2023		
	Balance at the beginning of the reporting period	Changes during the year	Balance at the end of the reporting period	Balance at the beginning of the reporting period	Changes during the year	Balance at the end of the reporting period
Equity Share Capital	218.47	-	218.47	218.47	-	218.47
Add: Forfeited Shares (amount paid up)	0.02	-	0.02	0.02	-	0.02
Total	**218.49**	**-**	**218.49**	**218.49**	-	**218.49**

(B) Other Equity

	Attributable to the equity holders of the parent								
	Reserves and Surplus				Items of Other Comprehensive Income		Total	Non Controlling Interest	Total
	Capital Reserve	Securities Premium	Capital Redemption Reserve	Retained Earnings	Equity Instruments	Foreign Currency Translation Reserve			
As at 31st March 2022	**34.17**	**655.85**	**72.69**	**5,041.17**	**6.08**	**(38.28)**	**5,771.68**	**29.32**	**5,801.00**
Profit for the year				(87.66)			(87.66)	(41.17)	(128.83)
Received during the year		42.09					42.09		42.09
Other Comprehensive Income				0.61	0.49	173.85	174.95	0.73	175.68
Total Comprehensive Income	34.17	697.94	72.69	4,954.12	6.57	135.57	5,901.06	(11.12)	5,889.94
Dividend Paid				(43.69)			(43.69)		(43.69)
Foreign Currency translation adjustment		55.78		(77.43)			(21.65)	28.05	6.40
As at 31st March 2023	**34.17**	**753.72**	**72.69**	**4,833.00**	**6.57**	**135.57**	**5,835.72**	**16.93**	**5,852.65**
Profit for the year				(383.96)			(383.96)	(168.83)	(552.79)
Received during the year		527.48					527.48		527.48
Due to change in Holding Ratio		(476.71)		181.65		16.48	(278.58)	302.32	23.74
Other Comprehensive Income				(1.47)	0.81	48.96	48.30	12.29	60.59
Total Comprehensive Income	34.17	804.49	72.69	4,629.22	7.38	201.01	5,748.96	162.71	5,911.67
Foreign Currency translation adjustment		81.47		(36.18)			45.29	0.59	45.88
As at 31st March, 2024	**34.17**	**885.96**	**72.69**	**4,593.04**	**7.38**	**201.01**	**5,794.25**	**163.30**	**5,957.55**

The accompanying notes are an integral part of the Financial Statements

As per our report of even date annexed

For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E

RAJIV SINGHI
Partner
Membership No. 053518

Place: Kolkata
Date: 28th May, 2024

For and on behalf of the Board

SIDHARTH K. BIRLA
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N. K. NOLKHA
Group Chief Financial Officer

NEHA SARAF
Company Secretary
(ACS: 27024)

CONSOLIDATED STATEMENT OF CASH FLOW

For the year ended 31st March 2024

(Rs. in million)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Exceptional Items and Tax	(335.44)	(122.13)
Adjustments for:		
Unrealised Debts & Claims Written Off	24.88	3.01
Provision for Bad & Doubtful Debts & Advances (Net)	(0.49)	(0.12)
Finance Costs	430.17	359.75
Depreciation & Amortization	625.03	589.29
(Profit)/Loss on Sale of Fixed Assets (Net)	(22.80)	(98.21)
(Gain)/Loss on Sale of Investments as FVTPL/FVTOCI (Net)	(132.49)	(36.44)
Interest Income	(2.87)	(1.80)
Fair Value (Gain)/Loss on Financial Instruments as FVTPL (Net)	(16.56)	43.82
Dividend Income	(0.20)	(0.14)
Liabilities Written Back	(4.11)	(4.16)
Unrealised Foreign Exchange (Gain) (Net)	60.18	(138.01)
Operating Profit before Working Capital changes	**625.30**	**594.86**
Adjustments for:		
(Increase)/ Decrease in Trade and other Receivables (Net)	20.35	(429.42)
Inventories	(73.27)	(238.70)
Increase/ (Decrease) in Trade and other Payables (Net)	(173.90)	362.81
Cash generated from Operations	**398.48**	**289.55**
Income Tax (Paid)/Refund (net)	(22.74)	(32.39)
Net Cash used in/from Operating Activities	**375.74**	**257.16**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(807.92)	(574.80)
Sale of Fixed Assets	65.06	196.89
Purchase of Investments	(20.00)	(0.20)
Sale of Investments	252.09	49.01
Bank Deposits (held as security)	4.29	35.21
Interest Received	2.76	1.90
Dividend Received	0.20	0.14
Net Cash used in/from Investing activities	**(503.52)**	**(291.85)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/Payments of Borrowings (Net)	(8.81)	323.55
Proceeds from issue of shares	527.48	42.09
Dividend Paid	-	(43.69)
Finance Costs Paid	(467.24)	(287.46)
Net Cash used in/from Operating Activities	**51.43**	**34.49**
Net Increase/(Decrease) in Cash and Cash Equivalents	(76.35)	(0.20)
Cash and Cash Equivalents at the beginning of the year	188.58	188.78
Cash and Cash Equivalents at the end of the year (Note 12A)	**112.23**	**188.58**

Note: a. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flow.
b. The composition of Cash and Cash Equivalents have been determined based on the Accounting Policy No. 3(O).

As per our report of even date annexed

For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E

RAJIV SINGHI
Partner
Membership No. 053518

Place: Kolkata
Date: 28th May, 2024

For and on behalf of the Board

SIDHARTH K. BIRLA
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(DIN:00004213)

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Managing Director
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N. K. NOLKHA
Group Chief Financial Officer

NEHA SARAF
Company Secretary
(ACS: 27024)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1: Corporate Information

Kanoria Chemicals & Industries Limited (the Company or Parent Company) having its registered office at 'KCI Plaza', 23C Ashutosh Chowdhury Avenue, Kolkata – 700 019, India is a Public Limited Company incorporated and domiciled in India. The Equity Shares of the Company are listed on National Stock Exchange of India Ltd. and BSE Ltd. The Consolidated Financial Statements (CFS) comprise financial statements of Kanoria Chemicals & Industries Ltd. and its subsidiaries (collectively the Group) as at and for the year ended 31 March 2024. The Group is primarily engaged in manufacture of Industrial Chemicals, Electronic Automotive and Textiles.

2: Basis of Preparation

A. Statement of Compliance

These Consolidated financial Statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of Companies Act, 2013 (the Act) and other relevant provisions of the Act.

These Consolidated financial Statements have been approved for issue by the Board of Directors on 28th May 2024.

B. Principles of Consolidation

The consolidated financial statements have been prepared on the following basis:

I. The financial statements of the Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.

II. Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full.

III. In case of foreign subsidiaries, revenue items are consolidated at the average monthly rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve.

IV. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

V. Non Controlling Interest's share of profit/loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

VI. Non Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.

C. Functional and presentation currency

These Consolidated financial Statements are presented in Indian Rupees (INR), which is also the Parent Company's functional currency. All amounts have been rounded off to the nearest two decimals of millions, unless otherwise indicated.

D. Historical cost convention

The Consolidated financial Statements have been prepared following accrual basis of accounting on a historical cost basis, except for the following which are measured at fair value:

I. Certain Financial Assets and Liabilities

II. Defined Benefit Plans

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

E. Fair value measurement

A number of Group's accounting policies and disclosures require fair value measurement for both financial and non-financial assets and liabilities.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated financial Statements are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement, as under:

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

ii. Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

iii. Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Consolidated financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation, based on the lowest level input that is significant to the fair value measurement, at the end of each reporting period.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. External valuers are involved for valuation of significant assets and liabilities. Involvement of external valuers is decided upon by the Management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

F. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset or liability is treated as current if it satisfies any of the following condition:

I. the asset/liability is expected to be realised/settled in normal operating cycle;

II. the asset is intended for sale or consumption;

III. the asset/liability is held primarily for the purpose of trading;

IV. the asset/liability is expected to be realised/settled within twelve months after the reporting period;

V. the asset is Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period;

VI. in the case of a liability, the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current.

Deferred tax assets or liabilities are classified as non-current assets or liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

G. Use of estimates and judgements

In preparing these Consolidated financial Statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures including contingent liabilities. Actual results may differ from these estimates. Difference between actual results and estimates are recognised in the period prospectively in which the results are known/materialised.

Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and other factors, including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Detailed information about estimates and judgements is included in Note 4.

3: Material Accounting Policy

A. Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency of each Company in the Group, at the exchange rates on the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Exchange difference arising on settlement or translation of monetary items are recognised in the Consolidated Statement of Profit and Loss on net basis.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates on the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates on the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Consolidated Statement of Profit and Loss are also recognised in OCI or Consolidated Statement of Profit and Loss, respectively.

B. Property, Plant & Equipment

I. Recognition & Measurement

All items of property, plant and equipment (PPE) are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Cost of an item of PPE includes its purchase cost, non refundable taxes and duties, directly attributable cost of bringing the item to its working condition for its intended use and borrowing cost if the recognition criteria is met.

In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition, are also added to the cost of self-constructed assets. The Company considers a Project to be 'unit of measure' for construction of a manufacturing plant rather than individual assets comprising the project in appropriate cases for the purpose of capitalisation of expenditure incurred during construction period.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate component of property, plant and equipment.

Subsequent costs are included in an item of PPE's carrying value or recognised as a separate item, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Consolidated Statement of Profit and Loss during the reporting period in which they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any Unamortized part of the previously recognized expenses of similar nature is derecognized.

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

An item of PPE or any significant part thereof is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss on derecognition of an item of PPE is recognised in Consolidated Statement of Profit and Loss.

II. Depreciation methods, estimated useful lives and residual value

Depreciation on all items of PPE is calculated using the straight line method to allocate their cost, net of their residual value, over their estimated useful lives as prescribed in Schedule II to the Act and/or based on the local requirements in respect of foreign subsidiaries.

Depreciation on an item of PPE purchased/sold during the year is provided on pro-rata basis.

Freehold land is not depreciated.

The residual values are not more than 5% of the cost of an item of PPE.

Depreciation methods, useful lives and residual values are reviewed at the end of each financial year and adjusted prospectively, if appropriate.

C. Intangible Assets

Intangible assets acquired are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and accumulated impairment losses, if any.

Internally generated development expenditure is capitalised as part of the cost of the resulting intangible assets only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise it is recognised in the Consolidated Statement of Profit and Loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

Goodwill is not amortised and is tested for impairment annually.

The Group amortises intangible assets with a finite useful life using the straight line method over the following periods:

Computer Softwares	3 years
Product Development	5 years

Amortisation methods and useful lives are reviewed at the end of each financial year and adjusted prospectively, if appropriate.

D. Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of lease requires significant judgement. The company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as non-cancellable period of a lease, together with both the periods covered by an option to extend the lease if the company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the company is certain not to exercise that option. In assessing whether the company is reasonably certain to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

to terminate the lease. The company revises the lease term if there is a change in the non-cancellable period of a lease.

Leasehold land having perpetual rights are included in Property, plant and equipment.

E. Assets Held for Sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all the following criteria are met: (i) decision has been made to sell, (ii) the assets are available for immediate sale in its present condition, (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as 'held for sale' are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

F. Financial Instruments

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

I. Financial Assets

Initial recognition and measurement:

The Group recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. 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.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Consolidated Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Consolidated Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement:

For subsequent measurement, the Group classifies a financial asset in accordance with the below criteria:

a. The Group's business model for managing the financial asset and

b. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Group classifies its financial assets into the following categories:

i. Financial assets measured at amortized cost

ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

iii. Financial assets measured at fair value through profit or loss (FVTPL)

i. Financial assets measured at amortized cost:

A financial asset is measured at the amortized cost if both the following conditions are met:

a) The Group's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to certain investment in debt instruments, cash and bank balances, trade receivables, loans and other financial assets of the Group. Such financial assets are subsequently measured at amortized cost using the effective interest method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

ii. Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:

a) The Group's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to certain investments in debt instruments. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Other Comprehensive Income (OCI). However, the Group recognizes interest income and impairment losses and its reversals in the Consolidated Statement of Profit and Loss.

On Derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is reclassified from equity to Consolidated Statement of Profit and Loss.

Further, the Group, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTOCI. The Group has made such election on an instrument by instrument basis. These equity instruments are not held for trading. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI. However, the Group recognizes dividend income from such instruments in the Consolidated Statement of Profit and Loss.

On Derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is not reclassified from the equity to Consolidated Statement of Profit and Loss. However, the Group may transfer such cumulative gain or loss into retained earnings within equity.

iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Group excluding investments in subsidiary companies. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Consolidated Statement of Profit and Loss.

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Group's Balance Sheet) when any of the following occurs:

i. The contractual rights to cash flows from the financial asset expires;

ii. The Group transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;

iii. The Group retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);

iv. The Group neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Group has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Group continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Group also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On Derecognition of a financial asset, (except as mentioned in ii above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Consolidated Statement of Profit and Loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Impairment of financial assets:

The Group applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

i. Trade receivables

ii. Financial assets measured at amortized cost (other than trade receivables)

iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables, the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii and iii above), the Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Group reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Consolidated Statement of Profit and Loss under the head 'Other expenses'.

II. Financial Liabilities

Initial recognition and measurement:

The Group recognises a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the Consolidated Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical liability (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the Consolidated Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

Subsequent measurement:

All financial liabilities of the Group are subsequently measured at amortised cost using the effective interest method.

Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the Consolidated Statement of Profit and Loss.

III. Derivative Financial Instruments

Derivative financial instruments viz. foreign exchange forward contracts, interest rate swaps and cross currency swaps to manage Company's exposure to foreign exchange rate and interest rate risks are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately. The Company does not hold derivative financial instruments for speculative purposes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

G. Impairment

Assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Assets that are subject to depreciation and amortisation and assets representing investments in subsidiary companies are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

Impairment losses, if any, are recognised in the Consolidated Statement of Profit and Loss and included in depreciation and amortisation expense. Impairment losses are reversed in the Consolidated Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

H. Inventories

Inventories of raw materials, stores and spare parts, work in progress and finished goods are measured at lower of cost and net realisable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be used are expected to be sold at or above cost. In case of certain products, where cost cannot be ascertained reliably, the same are measured at net realisable value.

Cost of raw materials, stores and spares include its purchase cost and other costs incurred in bringing them to their present location and condition. Cost of work in progress and finished goods include direct materials, direct labour and appropriate proportion of variable and fixed overheads, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual item of inventory on FIFO/weighted average method, as appropriate.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

I. Income Tax

Income Tax comprises current and deferred tax and is recognised in Consolidated Statement of Profit and Loss except to the extent that it relates to an item recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or in equity as the case may be.

I. Current Tax

Current tax comprises the expected tax payable on the taxable income for the year and any adjustments to the tax payable in respect of previous years. It is measured using applicable tax rates and tax laws enacted or substantively enacted by the reporting date.

II. Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes i.e. tax base.

Deferred Tax assets are recognised to the extent that it is probable that future taxable amounts will be available to utilise those temporary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

differences, carried forward tax losses and unused tax credits.

Deferred Tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax laws that have been enacted or substantively enacted by the reporting date.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal income tax during the specified period.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Group has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Group.

J. Revenue Recognition

I. Revenue from Contract with Customer:

The Group derives revenue primarily from sale of manufactured and traded goods. Revenue is recognized on satisfaction of performance obligation upon transfer of goods to a customer at an amount that reflects the consideration to which the group is expected to be entitled to in exchange for those goods.

The transaction price of goods sold is net of variable consideration on account of returns, trade allowances, rebates and amounts collected on behalf of third parties. This variable consideration is estimated based on the expected value of outflow. The group recognizes revenue when it is probable that future economic benefits will flow to the Group and the amount of revenue can be reliably measured.

Sale of Products: Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

Sale of Services: Revenue from sale of services is recognized when the Group has an enforceable right to receive payment for services rendered.

II. Interest Income

Interest income from debt instruments is recognised on accrual basis using effective interest rate method applicable on such debt instrument.

III. Dividend

Dividend income is recognised when the Group's right to receive the payment is established.

K. Employee Benefits

I. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and expensed as the relative service is provided. A liability is recognised for the amount expected to be paid e.g. towards bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

II. Defined contribution plan

Provident Fund, a defined contribution plan, is a post employment benefit plan under which the Group pays contributions into a separate entity and has no legal or constructive obligation to pay further amounts. The Group recognises the contributions payable towards the provident fund as an expense in the Consolidated Statement of Profit and Loss in the periods during which the related services are rendered by employees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

III. Defined benefit plan

A defined benefit plan is a post employment benefit plan other than a defined contribution plan. The Group has unfunded Gratuity liability towards this which is provided on the basis of actuarial valuation made by an external valuer at the end of each financial year using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling (if any, excluding interest) are immediately recognised in the balance sheet with corresponding debit or credit to Other Equity through OCI. Remeasurements are not classified to profit or loss in subsequent periods.

Net interest and changes in the present value of defined benefit obligation resulting from plan amendments or curtailments are recognised in profit or loss.

IV. Other long term employee benefits

The liabilities for earned leave are measured and provided on the basis of actuarial valuation made by an external valuer at the end of each financial year using the projected unit credit method. Remeasurement gains or losses are recognised in Consolidated Statement of Profit and Loss in the period in which they arise.

L. Borrowing Costs

Borrowing costs consists of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs attributable to the acquisition or construction of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset. Income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowings costs eligible for capitalisation. All other borrowing costs are expensed in the period in which they are incurred. Transaction costs in respect of long-term borrowings are amortised over the tenor of respective loans using effective interest method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

M. Exceptional items

When items of income and expense in the statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the period, the nature and amount of such material items are disclosed separately as exceptional items.

N. Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss before OCI for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the post tax effect of finance costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the issue of all dilutive potential equity shares.

O. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and in hand and short term deposits with remaining maturity of 12 months or less, which are subject to an insignificant risk of change in value.

P. Cash dividend to Equity shareholders

The Group recognises a liability to make distribution of cash dividend to equity shareholders of the Group when the distribution is approved by the shareholders. A corresponding amount is recognised directly in equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Q. Provisions

Provisions are recognised when the Group has a present legal or constructive obligation 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.

Where the effect of time value of money is material, provisions are measured at present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to liability. The increase in the provision due to passage of time is recognised as interest expense.

R. Contingent Liabilities and Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. The Group does not recognise a contingent liability but discloses its existence in the Consolidated financial Statements. Contingent assets are not recognised in the Consolidated financial Statements.

S. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

T. Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the Consolidated financial Statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

U. Recent applicable Accounting pronouncements

Ministry of Corporate Affairs ("MCA") has not notified any new standards or amendments to the existing standards for the year ended 31st March, 2024.

4: Significant Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

(i) Judgements

In the process of applying the accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

(a) Equity Investments measured at FVTOCI

The Group has exercised the option to measure investment in equity instruments, not held for trading at FVTOCI in accordance with Ind AS 109. It has exercised this irrevocable option for its class of quoted equity shares. The option renders the equity instruments elected to be measured at FVTOCI non recyclable to PL.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(b) Business Model for Investment of Debt Instruments

For the purpose of measuring investments in debt instruments in accordance with Ind AS 109, the group has evaluated and determined that the business model for investments in quoted debentures and bonds is to collect the contractual cash flows and sell the financial asset. Such financial assets have been accordingly classified and measured at FVTOCI.

For the purpose of measuring investments in debt instruments in accordance with Ind AS 109, the group has evaluated and determined that the business model for investments in unquoted debentures and bonds is only to collect the contractual cash flows. Such financial assets have been accordingly classified and measured at amortised cost.

(ii) Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Defined Benefit Plans

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

(b) Fair Value measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(c) Depreciation/Amortisation and Useful Lives of Property, Plant and Equipment/Intangible Assets

Property, plant and equipment/intangible assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Group's historical experience with similar assets and take into account anticipated technological changes. The depreciation/amortisation for future periods is revised if there are significant changes from previous estimates.

(d) Impairment of Financial Assets

The Group reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.

(e) Impairment of Non-Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Group

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Determination of the recoverable amount involves management estimates on highly uncertain matters, such as commodity prices and their impact on markets and prices for upgraded products, development in demand, inflation, operating expenses and tax and legal systems. The Group uses internal business plans, quoted market prices and the Group's best estimate of commodity prices, currency rates, discount rates and other relevant information. A detailed forecast is developed for a period of three to five years with projections thereafter. The Group does not include a general growth factor to volumes or cash flows for the purpose of impairment tests, however, cash flows are generally increased by expected inflation and market recovery towards previously observed volumes is considered.

(f) Taxes

The Group calculates income tax expense based on reported income. Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax basis that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned tax optimizing measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5A: Property Plant and Equipment

(Rs. in million)

	Gross Carrying Value					Depreciation					Net Carrying Value
	As at 01.04.23	Additions	Foreign Currency Translation Adjustment	Disposal/ Reclassification	As at 31.03.24	As at 01.04.23	For the Year	Foreign Currency Translation Adjustment	Disposal/ Reclassification	As at 31.03.24	As at 31.03.24
Land & Site Development :											
Freehold	828.60	-	(5.19)	-	823.41	-	-	-	-	-	823.41
Leasehold*	1,141.19	-	5.16	67.59	1,078.76	124.85	15.64	0.56	7.40	133.65	945.11
Buildings*	2,738.05	17.25	(24.87)	15.38	2,715.05	569.23	88.51	(7.06)	4.37	646.31	2,068.74
Plant & Equipment	7,255.70	328.17	(42.68)	54.98	7,486.21	2,992.21	449.28	(54.88)	54.79	3,331.82	4,154.39
Furniture & Fixtures	105.41	2.92	0.45	11.34	97.44	61.35	14.05	0.04	11.28	64.16	33.28
Vehicles & Fork Lifts	118.60	20.75	(0.09)	11.69	127.57	80.44	16.05	(0.28)	7.74	88.47	39.10
Office Equipment	239.12	7.39	(1.40)	70.11	175.00	171.17	23.47	(0.31)	69.80	124.53	50.47
Total	**12,426.67**	**376.48**	**(68.62)**	**231.09**	**12,503.44**	**3,999.25**	**607.00**	**(61.93)**	**155.38**	**4,388.94**	**8,114.50**

* Leasehold Land of Rs. 60.19 million and Buildings of Rs. 9.42 million are classified as assets held for sale.

	Gross Carrying Value					Depreciation					Net Carrying Value
	As at 01.04.22	Additions	Foreign Currency Translation Adjustment	Disposal/ Reclassification	As at 31.03.23	As at 01.04.22	For the Year	Foreign Currency Translation Adjustment	Disposal/ Reclassification	As at 31.03.23	As at 31.03.23
Land & Site Development :											
Freehold	820.92	-	7.68	-	828.60	-	-	-	-	-	828.60
Leasehold	1,115.21	-	25.98	-	1,141.19	106.91	15.51	2.43	-	124.85	1,016.34
Buildings	2,602.60	85.95	132.24	82.74	2,738.05	482.88	84.55	22.17	20.37	569.23	2,168.82
Plant & Equipment *	6,610.03	435.16	305.88	95.37	7,255.70	2,468.90	429.97	141.05	47.71	2,992.21	4,263.49
Furniture & Fixtures	102.02	4.43	4.13	5.17	105.41	54.52	8.92	2.58	4.67	61.35	44.06
Vehicles & Fork Lifts	117.04	8.33	6.46	13.23	118.60	68.17	17.36	4.93	10.02	80.44	38.16
Office Equipment	209.82	18.11	12.38	1.19	239.12	141.38	20.50	10.26	0.97	171.17	67.95
Total	**11,577.64**	**551.98**	**494.75**	**197.70**	**12,426.67**	**3,322.76**	**576.81**	**183.42**	**83.74**	**3,999.25**	**8,427.42**

* Plant & Equipment of Rs. 26.16 million is classified as assets held for sale.

5B: Intangible Assets

	Gross Carrying Value					Amortisation					Net Carrying Value
	As at 01.04.23	Additions	Foreign Currency Translation Adjustment	Disposal/ Reclassification	As at 31.03.24	As at 01.04.23	For the Year	Foreign Currency Translation Adjustment	Disposal/ Reclassification	As at 31.03.24	As at 31.03.24
Goodwill	350.95	-	1.55	-	352.50	-	-	-	-	-	352.50
Computer Software	191.59	7.98	(7.07)	29.66	162.84	165.30	11.52	(6.29)	29.66	140.87	21.97
Product Development	515.24	-	14.19	503.09	26.34	498.72	6.51	13.67	503.09	15.81	10.53
Total	**1,057.78**	**7.98**	**8.67**	**532.75**	**541.68**	**664.02**	**18.03**	**7.38**	**532.75**	**156.68**	**385.00**

	Gross Carrying Value					Amortisation					Net Carrying Value
	As at 01.04.22	Additions	Foreign Currency Translation Adjustment	Disposal/ Reclassification	As at 31.03.23	As at 01.04.22	For the Year	Foreign Currency Translation Adjustment	Disposal/ Reclassification	As at 31.03.23	As at 31.03.23
Goodwill	346.22	-	4.73	-	350.95	-	-	-	-	-	350.95
Computer Software	157.06	21.18	13.42	0.07	191.59	146.19	6.03	13.15	0.07	165.30	26.29
Product Development	472.09	-	43.15	-	515.24	450.64	6.45	41.63	-	498.72	16.52
Total	**975.37**	**21.18**	**61.30**	**0.07**	**1,057.78**	**596.83**	**12.48**	**54.78**	**0.07**	**664.02**	**393.76**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5C: Capital Work-in-Progress Aging Schedule:

(Rs. in million)

	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at 31.03.24	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at 31.03.23
Project in Progress	456.08	-	-	-	456.08	98.61	-	-	-	98.61

Note: There is no project whose completion is overdue or which has exceeded its cost compared to its original plan.

5D: Intangible Assets Under Development Aging Schedule:

	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at 31.03.24	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at 31.03.23
Project in Progress	11.64	-	-	-	11.64	1.02	-	-	-	1.02

Note: There is no project whose completion is overdue or which has exceeded its cost compared to its original plan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6: Investments

(Rs. in million)

	31st March 2024			31st March 2023		
	Face Value (Rs.)	Nos.	Amount	Face Value (Rs.)	Nos.	Amount
(A) Non-Current Investments:						
Investments at Fair Value through OCI						
Equity Shares, Fully Paid (Quoted)						
IFCI Ltd.	10	200	0.01	10	200	0.00
HDFC Bank Ltd.	1	5,000	7.24	1	5,000	8.05
Bank of India.	10	9,000	1.23	10	9,000	0.67
NMDC Ltd.	1	8,000	1.61	1	8,000	0.89
NMDC Steel Ltd.	10	8,000	0.44	-	-	-
Equity Shares, Fully Paid (Unquoted)						
Enviro Technology Ltd.	10	10,000	0.10	10	10,000	0.10
BEIL Infrastructure Ltd.	10	1,400	0.01	10	1,400	0.01
Mittal Tower Premises Co-op. Society Ltd.	50	5	0.00	50	5	0.00
Narmada Clean Tech	10	822,542	8.23	10	822,542	8.23
Woodlands Multispeciality Hospital Ltd.	10	2,180	0.02	10	2,180	0.02
Total Investments at Fair Value through OCI			**18.89**			**17.97**
Investments at Fair Value through PL						
Alternative Investment Funds (Unquoted)						
IIFL Seed Venture Fund	5	2,411,700	41.28	5	2,411,693	44.28
Chiratae Trust	100,000	180	42.19	100,000	180	40.25
India Housing Fund - Series 4	10	1,999,900	26.89	-	-	-
Total Investments at Fair Value through PL			**110.36**			**84.53**
Total Non Current Investments (A)			**129.25**			**102.50**
(B) Current Investments:						
Investments at Fair Value through PL						
Alternative Investment Fund (Unquoted)						
IIFL Real Estate Fund (Domestic) Sr.2	-	-	-	4	9,313,812	33.92
IIFL Real Estate Fund (Domestic) Sr.3	7	5,365,000	26.60	7	5,365,000	26.60
ICICI Prudential Real Estate AIF-II	100	32,617	2.25	100	68,827	4.57
Total Investments at Fair Value through PL			**28.85**			**65.09**
Total Current Investments (B)			**28.85**			**65.09**

	Non-Current	Current		Non-Current	Current
Aggregate book value of quoted investments	10.53	-		9.61	-
Aggregate market value of quoted investments	10.53	-		9.61	-
Aggregate value of unquoted investments	118.72	28.85		92.89	65.09

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7: Loans

(Rs. in million)

	31st March 2024		31st March 2023	
	Non-Current	Current	Non-Current	Current
(Unsecured considered good) Other Loans				
Loan to Employees	0.44	2.26	0.67	3.86
Total Loans	**0.44**	**2.26**	**0.67**	**3.86**

8: Other Financial Assets

(Unsecured considered good) Security Deposits	37.13	34.66	33.58	17.36
Export Benefits and Claims Receivable	-	12.91	-	11.91
Interest and Dividend Receivable	-	0.57	-	0.46
Total Other Financial Assets	**37.13**	**48.14**	**33.58**	**29.73**

9: Other Assets

(Unsecured considered good) (a) Capital Advances	109.08	-	30.03	-
(b) Advances other than Capital Advances				
(i) Other Advances	32.26	178.48	4.73	276.18
(ii) Balance with Government Authorities	-	326.95	-	244.28
Total Other Assets	**141.34**	**505.43**	**34.76**	**520.46**

10: Inventories

(At lower of cost and net realisable value) Raw Materials	1,682.92	1,558.24
Raw Materials in transit	49.28	28.70
Work-in-Progress	442.60	522.35
Finished Goods	493.63	487.83
Goods in Transit	9.46	11.77
Stores & Spare Parts	172.22	167.95
Stock-in-trade	-	-
Total Inventories	**2,850.11**	**2,776.84**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11: Trade Receivables

(Rs. in million)

	31st March 2024	31st March 2023
Secured, considered good	2.37	2.37
Unsecured, considered good	1,853.19	1,954.65
With Significant Increase in Credit risk	5.92	2.70
Less: Allowance for Bad & Doubtful Debts	5.92	2.70
Total Trade Receivables	**1,855.56**	**1,957.02**

Trade Receivables Ageing Schedule

	Outstanding for following periods from due date of payment						31st March 2024
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
I. Undisputed Trade Receivables – considered good	1,536.35	294.81	14.51	1.58	4.23	0.06	1,851.54
ii. Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	5.06	5.06
iii. Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
iv. Disputed Trade Receivables-considered good	-	-	-	-	-	2.37	2.37
v. Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	0.86	0.86
vi. Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less: Allowance for Bad & Doubtful Debts	-	-	-	-	-	5.92	5.92
Unbilled Trade Receivable	1.65	-	-	-	-	-	1.65
Total	**1,538.00**	**294.81**	**14.51**	**1.58**	**4.23**	**2.43**	**1,855.56**

	Outstanding for following periods from due date of payment						31st March 2023
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
I. Undisputed Trade Receivables – considered good	1,484.02	296.05	79.46	3.29	0.91	-	1,863.73
ii. Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	1.84	1.84
iii. Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
iv. Disputed Trade Receivables-considered good	-	-	-	-	-	2.37	2.37
v. Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	0.86	0.86
vi. Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less: Allowance for Bad & Doubtful Debts	-	-	-	-	-	2.70	2.70
Unbilled Trade Receivable	90.92	-	-	-	-	-	90.92
Total	**1,574.94**	**296.05**	**79.46**	**3.29**	**0.91**	**2.37**	**1,957.02**

12A: Cash and Cash Equivalent

	31st March 2024	31st March 2023
Balance with banks:		
On Current Accounts	111.09	186.95
Cheque/Drafts/Remittance in hand	0.12	-
Cash on hand	1.01	1.63
Total Cash and cash equivalent	**112.22**	**188.58**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12B: Other Bank Balances

(Rs. in million)

	31st March 2024	31st March 2023
Earmarked balances with Banks (Unpaid Dividend Accounts)	3.53	4.11
Bank deposits (held as security)	16.40	20.68
Total other bank balances	**19.93**	**24.79**

13: Current Tax Assets

	31st March 2024	31st March 2023
Income Tax Payments (net of provision)	136.33	119.50
Total Current Tax Assets	**136.33**	**119.50**

14: Assets held for Sale

	31st March 2024	31st March 2023
Freehold Land	60.19	-
Buildings	9.42	-
Plant & Equipment	-	26.16
Intangible Assets under development	-	10.00
Total Assets held for Sale	**69.61**	**36.16**

15: Equity Share Capital

	31st March 2024		31st March 2023	
	No. of Shares	Amount	No. of Shares	Amount
(a) Authorised Share Capital				
Equity Shares of Rs. 5 each	100,000,000	500.00	100,000,000	500.00
(b) Issued, Subscribed and Fully Paid				
Equity Shares of Rs. 5 each	43,693,333	218.47	43,693,333	218.47
Add: Forfeited Shares (Amount paid up)		0.02		0.02
Total		**218.49**		**218.49**

(c) Terms/rights attached to Equity Shares

The Company has only one class of issued shares i.e. Equity Share having par value of Rs. 5 per share. Each holder of Equity Share is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the 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 payment of all preferential amounts, in proportion to their shareholding.

(d) Shares held by holding company

	31st March 2024		31st March 2023	
	No. of Shares	Amount	No. of Shares	Amount
Vardhan Limited	26,190,872	130.95	26,190,872	130.95

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

Name of the Shareholder	31st March 2024		31st March 2023	
	No. of Shares	% holding	No. of Shares	% holding
Vardhan Limited	26,190,872	59.94	26,190,872	59.94
R V Investment & Dealers Limited	3,210,120	7.35	3,210,120	7.35

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(f) Promoter's Shareholding

Name of the Promoters	Shares held by promoters as at 31st March 2024		Shares held by promoters as at 31st March 2023		Percentage of change during the year
	No. of Shares	% holding	No. of Shares	% holding	
Vardhan Limited	26,190,872	59.94	26,190,872	59.94	-
Rajya Vardhan Kanoria	461,481	1.06	461,481	1.06	-
R V Investment & Dealers Limited	3,210,120	7.35	3,210,120	7.35	-
Kirtivardhan Finvest Services Ltd.	1,154,907	2.64	1,154,907	2.64	-
Madhuvanti Kanoria	498,321	1.14	498,321	1.14	-
Saumya Vardhan Kanoria	556,440	1.27	556,440	1.27	-
Anand Vardhan Kanoria	434,739	1.00	434,739	1.00	-
Total	**32,506,880**	**74.40**	**32,506,880**	**74.40**	**-**

(g) Shares reserved for issue under options

No Shares have been reserved for issue under options and contracts/commitments for the sale of shares/disinvestment as at the Balance Sheet date.

(h) The company has not issued any shares for consideration other than cash nor issued any bonus shares nor have bought back any shares during the period of five years immediately preceding the current financial year.

(i) None of the securities are convertible into shares at the end of the reporting period.

(j) No calls are unpaid including that by any Director or Officer of the Company.

16: Other Equity

(Rs. in million)

	31st March 2024		31st March 2023	
Capital Reserve				
As per last Balance Sheet		34.17		34.17
Capital Redemption Reserve				
As per last Balance Sheet		72.69		72.69
Securities Premium				
As per last Balance Sheet	753.72		655.85	
Add : Received During the year	527.48		42.09	
Less : Transfer to NCI	476.71		-	
Add : Foreign Currency Translation adjustment	81.47	885.96	55.78	753.72
Retained Earnings				
As per last Balance Sheet	4,833.00		5,041.17	
Due to change in Holding Ratio	181.65			
Add : Profit/(Loss) for the year	(383.96)		(87.66)	
Add : Actuarial gain/(loss) on defined benefit plan (Net)	(1.47)		0.61	
Add : Foreign Currency Translation adjustment	(36.18)		(77.43)	
Less : Dividend Paid	-	4,593.04	(43.69)	4,833.00
Other Comprehensive Income (OCI)				
As per last Balance Sheet	142.14		(32.20)	
Due to change in Holding Ratio	16.48			
Add : Movement in OCI (Net) during the year	49.77	208.39	174.34	142.14
Total Other Equity		**5,794.25**		**5,835.72**

Description of the nature and purpose of each reserve within other equity is as follows:

a) Capital Reserve: represents the amount received on account of capital receipts, etc. in earlier years.

b) Capital Redemption Reserve: was created for redemption of preference shares and on buy-back of equity shares as per statutory requirement.

c) Securities Premium: represents premium on issue of shares.

d) Retained Earnings: are the accumulated profits earned by the Company and remaining undistributed as on date.

e) Other Comprehensive Income: represents the cumulative gains and losses arising on fair valuation of equity instruments measured at fair value through other comprehensive income under an irrevocable option and gain/loss on foreign currency translation of subsidiary companies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17: Borrowings

(Rs. in million)

Particulars	31st March 2024		31st March 2023	
	Non-Current	Current	Non-Current	Current
Secured				
Term Loans				
From Banks/Financial Institution[1]	1,872.10		2,021.14	
Current maturities of Long term debts		459.33		507.53
Short Term Loan				
From Banks[2]		500.00		440.23
Loans Repayable on Demand				
From Banks[2]		872.40		928.54
Unsecured				
Term Loans				
From Banks	785.46	-	786.90	-
From Related Party	125.00	-	125.00	-
From Government	188.12	-	193.05	-
Short Term Loan				
From Body Corporate	-	80.00	73.65	-
From Related Parties		184.81	-	-
Total Borrowings	**2,970.68**	**2,096.54**	**3,199.74**	**1,876.30**

[1] Term Loan of Rs. 427.52 million secured by first charge and mortgage by deposit of title deeds of immovable properties and hypothecation of movable fixed assets of Naidupet & Vizag Division, of Rs. 105.90 million secured/to be secured by first charge and mortgage by deposit of title deeds of immovable properties and hypothecation of movable fixed assets on pari passu basis of Ankleshwar Unit and hypothecation of proposed plant & Machinery created out of bank finance on first charge basis in Ankleshwar unit, of Rs. 21.58 million secured by second charge on Current Assets of the Company and movable fixed assets of Ankleshwar Division, of Rs. 79.89 million secured by second charge on entire fixed assets of the Naidupet and Vizag Division, of Rs. 1427.18 million secured by whole of the assets and properties of Kanoria Africa Textiles Plc, of Rs. 79.24 million secured by Land & Building of APAG Elektronik s.r.o., Czech Republic and Rs. 190.12 million secured by Plant & Machinery of APAG Elektronik s.r.o., Czech Republic.

[2] Loan of Rs. 489.09 million secured by hypothecation of Current Assets of the Company and movable fixed assets on pari passu basis of Ankleshwar Division, of Rs. 100 million secured by subservient charge on entire current assets of the Company and movable fixed assets of the Ankleshwar Division, first charge on movable fixed assets of Solar Power Unit and exclusive charge on cash flow of Solar Power Unit, of Rs. 35.45 million secured by whole of the assets and properties of Kanoria Africa Textiles Plc, Ethiopia and of Rs. 747.86 million secured by Inventories and Trade Receivables of APAG Elektronik s.r.o., Czech Republic.

18: Lease Liability

Particulars	31st March 2024		31st March 2023	
	Non-Current	Current	Non-Current	Current
Leasehold Land Obligations Payable	20.45	2.46	21.32	2.55

19: Other Financial Liabilities

Particulars	31st March 2024		31st March 2023	
	Non-Current	Current	Non-Current	Current
Interest Accrued	-	21.12	-	58.19
Security Deposit	0.21	9.15	-	9.80
Liabilities for Capital Goods	-	44.57	-	20.88
Unpaid Dividend[1]	-	3.53	-	4.11
Employee related liabilities	-	114.31	-	109.06
Deferred Grant	41.40	5.26	37.98	6.05
Other liabilities	-	164.16	-	324.19
Total Other Financial Liabilities	**41.61**	**362.10**	**37.98**	**532.28**

[1] These figures does not include any amount, due and outstanding, to be credited to Investor Education and Protection Fund except Rs. 1.68 million (previous year Rs. 1.55 million) which is held in abeyance due to legal case pending.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20: Provisions

(Rs. in million)

	31st March 2024		31st March 2023	
	Non-Current	Current	Non-Current	Current
Provision for Gratuity	87.13	16.65	61.14	42.78
Provision for Accrued Leave	-	49.29	-	50.80
Total Provisions	**87.13**	**65.94**	**61.14**	**93.58**

21: Deferred Tax Liabilities (Net)

The major components of deferred tax liabilities/assets arising on account of timing differences (net of foreign exchange fluctuation) are as follows:

	1st April 2023	Profit & Loss (Net)	OCI (Net)	31st March 2024
Deferred Tax Liability				
Timing Difference on PPE & Intangible Assets	787.40	(6.11)	-	781.29
Fair Value of Investments	4.87	3.87	0.10	8.84
Others	-	1.87	-	1.87
Deferred Tax Assets				
MAT Credit Entitlement	201.11	(18.21)	-	182.90
Unabsorbed Business Losses/Depreciation	211.00	(164.45)	-	46.55
Expenses relating to Retirement Benefits	44.97	(1.48)	0.79	44.28
Others	0.32	0.02	-	0.34
Net Deferred Tax Liabilities	**334.87**	**183.75**	**(0.69)**	**517.93**

	1st April 2022	Profit & Loss (Net)	OCI (Net)	31st March 2023
Deferred Tax Liability				
Timing Difference on PPE & Intangible Assets	749.99	37.41	-	787.40
Fair Value of Investments	15.01	(10.20)	0.06	4.87
Deferred Tax Assets				
MAT Credit Entitlement	180.56	20.55	-	201.11
Unabsorbed Business Losses/Depreciation/Capital Loss	190.83	20.17	-	211.00
Expenses relating to Retirement Benefits	43.96	1.34	(0.33)	44.97
Others	0.30	0.02	-	0.32
Net Deferred Tax Liabilities	**349.35**	**(14.87)**	**0.39**	**334.87**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22: Trade Payable

(Rs. in million)

	31st March 2024	31st March 2023
Trade Payable		
Total outstanding dues of Micro and small enterprises	18.21	58.39
Total outstanding dues of creditors other than Micro and small enterprises	2,218.61	2,247.81
Total Trade Payables	**2,236.82**	**2,306.20**
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each financial year.		
i. Principal	18.21	58.39
ii. Interest	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

The above information has been compiled in respect of parties to the extent to which they could be identified as Micro and Small Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 on the basis of information available with the Company.

Trade Payable Ageing Schedule

	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	31st March 2024
i. MSME	18.21	-	-	-	-	18.21
ii. Others	1,424.65	780.89	2.68	10.08	0.31	2,218.61
iii. Disputed dues-MSME	-	-	-	-	-	-
iv. Disputed dues-Others	-	-	-	-	-	-
Total	**1,442.86**	**780.89**	**2.68**	**10.08**	**0.31**	**2,236.82**

	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	31st March 2023
i. MSME	58.39	-	-	-	-	58.39
ii. Others	1,348.33	898.16	1.02	0.00	0.30	2,247.81
iii. Disputed dues-MSME	-	-	-	-	-	-
iv. Disputed dues-Others	-	-	-	-	-	-
Total	**1,406.72**	**898.16**	**1.02**	**0.00**	**0.30**	**2,306.20**

23: Other Current Liabilities

	31st March 2024	31st March 2023
Statutory liabilities	247.30	191.37
Customers' Credit Balances	78.82	85.88
Total Other Current Liabilities	**326.12**	**277.25**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24: Revenue from Operations

(Rs. in million)

	31st March 2024	31st March 2023
(a) Sale of Products		
Manufactured products		
Alco Chemicals	5,679.44	6,663.52
Solar Power	16.70	25.82
Electronic Automotive	7,337.14	7,019.22
Textile	1,065.11	1,764.40
	14,098.39	**15,472.96**
Traded products		
Methanol	11.61	-
(b) Sale of Services	444.31	216.99
Total Sale	**14,554.31**	**15,689.95**
(c) Other Operating Revenues		
Miscellaneous Sales	189.56	82.16
Export benefits	3.09	0.47
Others	20.25	11.75
Total Other Operating Revenues	**212.90**	**94.38**
Total Revenue from Operations	**14,767.21**	**15,784.33**

25: Other Income

	31st March 2024	31st March 2023
Interest Income		
On Investments	-	0.03
From Others	2.87	1.77
Dividend Income	0.20	0.14
Gain/(Loss) on Sale of Investments (Net)	132.49	36.44
Fair value gain on Financial Instruments classified as FVTPL (Net)	16.56	(43.82)
Profit/(Loss) on Fixed Assets sold/discarded (Net)	22.80	98.21
Rent Income	4.01	2.69
Foreign Exchange Rate Fluctuation (Net)	-	(1.28)
Liabilities Written Back	4.11	4.16
Other non operating income	9.64	4.94
Total Other Income	**192.68**	**103.28**

26: Change in Inventories of Finished Goods and Work-in-Progress

	31st March 2024	31st March 2023
Opening Stock		
Finished Goods	499.60	286.76
Work-In-Progress	522.35	482.00
	1,021.95	**768.76**
Closing Stock		
Finished Goods	503.09	499.60
Work-In-Progress	442.60	522.35
	945.69	**1,021.95**
Change in Inventories		
Finished Goods	(3.49)	(212.84)
Work-In-Progress	79.75	(40.35)
Foreign Currency Translation adjustment	(17.94)	(20.45)
Total Change in Inventories of Finished Goods and Work-in-Progress	**58.32**	**(273.64)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27: Employee Benefits Expense

(Rs. in million)

	31st March 2024	31st March 2023
Salaries, Wages, Bonus & Gratuity etc. (including payments to Contractors)	1,950.54	1,818.57
Contribution to Provident Fund etc.	297.15	239.36
Staff Welfare Expenses	96.88	76.40
Total Employee Benefits Expense	**2,344.57**	**2,134.33**

28: Other Expenses

	31st March 2024	31st March 2023
Consumption of Stores & Spare parts etc.	273.10	289.37
Other Manufacturing Expenses	61.02	67.55
Power & Fuel	518.62	508.86
Repairs to -		
Plant & Machinery	88.87	102.74
Buildings	7.49	6.36
Others	32.37	27.29
Water Charges & Cess	56.47	55.29
Rates & Taxes	24.61	11.93
Rent	79.06	58.72
Insurance	58.92	52.38
Legal and Professional Charges	146.45	125.89
Miscellaneous Expenses	243.30	229.58
CSR Expenditure	2.57	1.85
Foreign Exchange Rate Fluctuation (Net)	78.23	-
Fair value loss on Forward Contract	0.03	-
Commission & Brokerage to Others	28.45	23.65
Freight, Handling & Other Charges	150.84	141.06
Directors' Fees	1.95	1.85
Travelling Expenses	51.69	47.85
Charity & Donations	0.24	0.83
Provision for bad & doubtful Debts & Advances (net)	(0.49)	(0.12)
Unrealized Debts and Claims written off	24.88	3.01
Payment to Auditors	8.39	7.95
Total Other Expenses	**1,937.06**	**1,763.89**

Additional Information regarding Payment to Auditors

	31st March 2024	31st March 2023
(a) Statutory Auditors		
Audit Fees	6.79	6.41
For Certificates & Others	1.39	1.33
For Travelling and out of pocket expenses	0.04	0.05
(b) Cost Auditors		
Audit Fees	0.17	0.16
Total payment to Auditors	**8.39**	**7.95**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29: Finance Costs

(Rs. in million)

	31st March 2024	31st March 2023
Interest Expense	377.25	313.14
Exchange difference regarded as an adjustment to borrowing cost	0.90	9.27
Bank/Finance charges	52.02	37.34
Total Finance Costs	**430.17**	**359.75**

30: Exceptional Items

	31st March 2024	31st March 2023
i) Write down in the value of Solar Power receivables in respect of power supplied to Discom from 1st April, 2019 to 31st March, 2023 from Rs. 3.14/kWh to Rs. 2.24/kWh based on the order dated 27th July, 2023 passed by the Rajasthan Electricity Regulatory Commission.	27.08	-
ii) Gain in respect of power imported by the Solar Plant on reduction of tariff from Rs. 11.60/kwh to Rs. 2.24/kwh as per new PPA signed on 12th September, 2023	(2.87)	-
Total Exceptional Items	**24.21**	**-**

31: Other Comprehensive Income (OCI)

	31st March 2024	31st March 2023
A. Items that will not be reclassified to Profit or Loss (PL) -		
1. Actuarial gain/(loss) on Defined Benefit Obligations	(2.27)	0.94
Deferred Tax	0.79	(0.33)
2. Net gain/(loss) on FVTOCI Equity securities	0.92	0.54
Deferred Tax	(0.10)	(0.06)
Net OCI not to be reclassified to PL	**(0.66)**	**1.09**
B. Items that will be reclassified to Profit or Loss (PL) -		
Foreign Currency Translation Reserve	61.25	174.58
Net OCI to be reclassified to PL	**61.25**	**174.58**
Other Comprehensive Income for the year, net of tax	**60.59**	**175.67**

32: Earning per Share (EPS)

	31st March 2024	31st March 2023
Details for calculation of basic and diluted earning per share:		
Profit after tax as per Statement of Profit and Loss	(383.96)	(87.66)
Weighted average number of equity share (Numbers)	43,693,333	43,693,333
Basic and diluted earning per share (Rs.)	(8.79)	(2.01)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33: Commitments and Contingencies

(Rs. in million)

	31st March 2024	31st March 2023
(i) Contingent Liabilities		
(a) Claims/Disputed liabilities not acknowledged as debt		
Service Tax Demands	0.40	0.40
Sales Tax demands (paid Rs. 0.43 million)	0.43	0.43
GST Demands (paid Rs. 1.35 million)	1.35	-
Customs & Central Tax Demands	7.65	1.73
Income Tax demands (paid Rs. 12.63 million)	103.24	88.98
Other claims being disputed by the Company (paid Rs. 1.50 million)	5.56	5.56
(b) Outstanding Bank Guarantees	49.82	47.50
Future cash flows in respect of Contingent Liabilities are determinable only on receipt of judgements pending at various forums/authorities.		
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	323.64	161.18
Advances paid	109.08	30.03

34: Details of pre-operative expenses capitalised

	31st March 2024	31st March 2023
Cost of Materials Consumed	-	8.48
Consumption of Stores & Spare parts etc.	-	0.02
Employee Benefit Expenses	-	4.72
Other Expenses	1.33	2.67
Finance Costs	6.82	-
	8.15	**15.89**
Less:		
Sale of Manufactured products	-	6.64
Miscellaneous Sales	-	0.19
Other Non Operating Income	-	1.52
	8.15	**7.54**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35: Segment Information

For management purposes, the Group is organised into business units based on its products and services and has following reportable segments:

I. Alco Chemicals
II. Solar Power
III. Electronic Automotive
IV. Textile

(Rs. in million)

Business Segment	Year ended 31st March 2024					Year ended 31st March 2023				
	Alco Chemicals	Solar Power	Electronic Automotive	Textile	Total	Alco Chemicals	Solar Power	Electronic Automotive	Textile	Total
Segment Revenue Revenue from operations	5,768.61	16.70	7,900.75	1,081.15	14,767.21	6,726.28	25.82	7,249.90	1,782.33	15,784.33
Segment Result	33.40	(27.50)	(37.28)	25.30	(6.08)	150.40	(23.25)	(108.85)	162.21	180.51
Less: (i) Finance Costs					430.17					359.75
(ii) Exceptional Item					24.21					-
(iii) Other Un-allocable expenditure net off Un-allocable income					(100.81)					(57.11)
Profit/(Loss) before Tax					**(359.65)**					**(122.13)**
Tax Expense					193.14					6.70
Net Profit/(Loss):					**(552.79)**					**(128.83)**
Segment Assets	5,467.00	61.05	5,072.38	3,569.06	14,169.49	5,210.39	179.49	4,898.88	3,787.10	14,075.86
Un-allocable Corporate Assets					734.33					738.49
Total Assets:					**14,903.82**					**14,814.35**
Segment Liabilities	1,017.36	3.96	1,802.45	238.25	3,062.02	806.53	2.66	1,852.07	393.63	3,054.89
Un-allocable Corporate Liabilities					5,665.76					5,688.32
Total Liabilities:					**8,727.78**					**8,743.21**
Other Disclosures										
Capital Expenditure	355.17	-	379.72	16.05	750.94	327.56	0.08	232.56	13.79	573.99
Un-allocable Capital Expenditure					1.61					4.93
Total Capital Expenditure:					**752.55**					**578.92**
Depreciation & Amortization	175.52	31.88	292.30	118.12	617.82	169.03	35.18	261.46	115.89	581.56
Un-allocable Depreciation					7.21					7.73
Total Depreciation & Amortization:					**625.03**					**589.29**

(B) Secondary Segment information

Geographical Segment ===>	Year ended 31st March 2024			Year ended 31st March 2023		
	India	Rest of the World	Total	India	Rest of the World	Total
Segment Revenue	5,633.26	9,133.95	14,767.21	6,710.86	9,073.47	15,784.33
Segment Assets	6,238.30	8,665.52	14,903.82	6,113.47	8,700.88	14,814.35
Segment Liabilities	6,462.43	2,265.35	8,727.78	6,166.39	2,576.82	8,743.21
Capital Expenditure	356.78	395.77	752.55	332.57	246.35	578.92

(C) Other Disclosures

Basis of pricing inter/Intra segment transfer and any change therein:

At prevailing market-rate at the time of transfers.

Segment Accounting Policies

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company and its subsidiaries.

Type of products included in each reported business segment:

Alco Chemicals business includes Pentaerythritol, Sodium Formate, Acetaldehyde, Formaldehyde & Hexamine etc., Solar Power business includes Power generation from Solar energy, Textile business includes yarn & denim manufacturing and Electronic Automotive business includes electronic & mechatronic modules etc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

36: The Group, based on a Resolution passed by the Board of Directors on 3rd May, 2024, has entered into a Memorandum of Understanding for sale of its Solar Power Division by way of slump sale and on a going concern basis, at a consideration of Rs. 82 million.

37: Disclosures as required under Indian Accounting Standard 19 on "Employee Benefits"

A. Defined Benefit Plan

The Company has unfunded scheme for payment of gratuity to all eligible employees calculated at specified number of days of last drawn salary depending upon tenure of service for each year of completed service subject to minimum five years of service payable at the time of separation upon superannuation or on exit otherwise. Subsidiaries are not having defined benefit plan scheme for its employees.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the Post - retirement benefit plans as relates to parent only.

(Rs. in million)

Particulars	31st March 2024	31st March 2023
	Gratuity	**Gratuity**
1. Change in the Present Value of Obligation		
- Present Value of Obligation as at the beginning	**103.92**	**100.48**
- Current Service Cost	5.52	6.65
- Interest Expense or Cost	7.76	7.28
- Actuarial (gains) / losses arising from:		
change in demographic assumptions	-	-
change in financial assumptions	1.65	(1.07)
experience variance	0.62	0.13
- Benefits paid	(15.69)	(9.55)
- Present Value of Obligation as at the end	**103.78**	**103.92**
2. Expenses recognised in the Statement of Profit & Loss		
- Current Service Cost	5.52	6.65
- Interest Expense or Cost	7.76	7.28
Total	**13.28**	**13.93**
3. Other Comprehensive Income		
- Actuarial (gains) / losses arising from:		
change in demographic assumptions	-	-
change in financial assumptions	1.65	(1.07)
experience variance	0.62	0.13
Total	**2.27**	**(0.94)**
4. Actuarial Assumptions		
(a) Financial Assumptions		
Discount rate (per annum)	7.15%	7.45%
Salary growth rate (per annum)	7.00%	7.00%
(b) Demographic Assumptions		
Mortality rate (% of IALM 2012-14)	100.00%	100.00%
Attrition/Withdrawal rates, based on age: (per annum)		
up to 44 years	2.00%	2.00%
above 44 years	1.00%	1.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. Sensitivity Analysis

The Sensitivity Analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation. For presenting the sensitivities, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.

The impact of Sensitivity analysis on Defined Benefit Plan is given below:

(Rs. in million)

	31st March 2024	31st March 2023
Discount rate increase by 1%	(98.65)	(99.00)
Discount rate decrease by 1%	109.54	109.52
Salary Growth rate increase by 1%	109.49	109.49
Salary Growth rate decrease by 1%	(98.60)	(98.93)

6. Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cash flow)	5 years
Expected cash flow over the next (valued on undiscounted basis)	
1 year	16.65
2 to 5 years	66.08
6 to 10 years	28.09
More than 10 years	57.00

7. Description of Risk Exposures

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

Liquidity Risk: This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Regulatory Risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts.

B. Defined Contribution Plan

The Group contributes certain percentage of salary for all eligible employees towards Provident Fund managed either by approved trusts or by the Government and debit the same to statement of Profit and Loss. The provident fund set up by the employers, require interest shortfall to be met by the employers. The fund set up by the Company had a interest shortfall of Rs. 1.70 million which was paid by the Company. The amount debited to Statement of Profit and Loss towards Provident Fund contribution during the year was Rs. 297.15 million (previous year Rs. 239.36 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

38: The list of subsidiaries which are included in the Consolidated Financial Statements of the Kanoria Chemicals & Industries Limited and its effective ownership interest therein are as under:

Name of the Company	Relationship	Country of Incorporation	Ownership Interest	
			31st March 2024	31st March 2023
Kanoria Africa Textiles PLC	Subsidiary	Ethiopia	100.00%	100.00%
APAG Holding AG	Subsidiary	Switzerland	55.00%	80.00%

For the purpose of consolidation, the consolidated financial statements of APAG Holding AG reflecting consolidation of following entities as at the Balance Sheet date 31st March, 2024 prepared in accordance with Swiss Accounting Principles and Reviewed by their Auditors in accordance with the International Standard on Review Engagements 2410 have been restated, where considered material, to comply with Generally Accepted Accounting Principles in India. Disclosures in respect of these foreign subsidiaries are given to the extent of available information.

Name of the Company	Relationship	Country of Incorporation	Ownership Interest	
			31st March 2024	31st March 2023
APAG Elektronik AG	Subsidiary	Switzerland	100%	100%
APAG Elektronik s.r.o.	Subsidiary	Czech Republic	100%	100%
CoSyst Control Systems GmbH	Subsidiary	Germany	100%	100%
APAG Elektronik LLC	Subsidiary	US	100%	100%
APAG Elektronik Corp.	Subsidiary of APAG Elektronik AG	Canada	100%	100%

39: Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiaries.

Name of the Enterprise	Net assets i.e. Total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in total Comprehensive Income	
	2023-2024		2023-2024		2023-2024		2023-2024	
	As % of consolidated net assets	Amount Rs. in millions	As % of consolidated profit or loss	Amount Rs. in millions	As % of consolidated other Comprehensive Income	Amount Rs. in millions	As % of Total Comprehensive Income	Amount Rs. in millions
Parent Kanoria Chemicals & Industries Limited	52.03%	3,213.54	13.50%	(74.65)	1.09%	(0.66)	15.30%	(75.31)
Subsidiaries								
Foreign								
Kanoria Africa Textiles PLC	30.26%	1,868.18	22.55%	(124.63)	-56.04%	33.95	18.42%	(90.68)
APAG Holding AG (Consolidated)	15.07%	931.02	33.41%	(184.68)	-24.77%	15.01	34.48%	(169.67)
Non-Controlling interest in all subsidiaries	2.64%	163.30	30.54%	(168.83)	-20.28%	12.29	31.80%	(156.54)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in million)

Name of the Enterprise	Net assets i.e. Total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in total Comprehensive Income	
	2022-2023		2022-2023		2022-2023		2022-2023	
	As % of consolidated net assets	Amount Rs. in millions	As % of consolidated profit or loss	Amount Rs. in millions	As % of consolidated other Comprehensive Income	Amount Rs. in millions	As % of Total Comprehensive Income	Amount Rs. in millions
Parent								
Kanoria Chemicals & Industries Limited	57.04%	3,462.70	-2.73%	3.52	-0.62%	1.09	9.84%	4.61
Subsidiaries								
Foreign								
Kanoria Africa Textiles PLC	27.89%	1,693.24	-41.98%	54.08	-97.32%	170.94	480.37%	225.02
APAG Holding AG (Consolidated)	14.79%	898.27	112.76%	(145.26)	-1.65%	2.91	-303.89%	(142.35)
Non-Controlling interest in all subsidiaries	0.28%	16.93	31.95%	(41.17)	-0.41%	0.73	-86.33%	(40.44)

40: Category-wise classification of Financial Instruments

	Refer Note	Non-Current		Current	
		31st March 2024	31st March 2023	31st March 2024	31st March 2023
Financial Assets **Measured at amortised cost**					
Trade Receivables	11	-	-	1,855.56	1,957.02
Cash and cash equivalents	12A	-	-	112.22	188.58
Other Bank balances	12B	-	-	19.93	24.79
Loans	7	0.44	0.67	2.26	3.86
Other Financial Assets	8	37.13	33.58	48.14	29.73
Measured at fair value through profit or loss					
Investments	6A&B	110.36	84.53	28.85	65.09
Measured at fair value through other comprehensive income					
Investments	6A	18.89	17.97	-	-
Total Financial Assets		**166.82**	**136.75**	**2,066.96**	**2,269.07**
Financial Liabilities					
Measured at amortised cost					
Borrowings	17	2,970.68	3,199.74	2,096.54	1,876.30
Lease Liability	18	20.45	21.32	2.46	2.55
Trade Payables	22	-	-	2,236.82	2,306.20
Other Financial Liabilities	19	41.61	37.98	362.10	532.28
Total Financial Liabilities		**3,032.74**	**3,259.04**	**4,697.92**	**4,717.33**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

41: Fair Value Measurements of Financial Instruments

The following table provides fair value measurement hierarchy of the Group's financial assets and liabilities:

(Rs. in million)

Financial assets/financial liabilities	Fair value hierarchy as at 31st March 2024			Fair value hierarchy as at 31st March 2023		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value through profit or loss						
Unquoted Alternate Investment funds	-	139.21	-	-	149.62	-
Financial assets measured at fair value through other comprehensive income						
Quoted Equity Shares	10.53	-	-	9.61	-	-
Unquoted Equity Shares	-	-	8.36	-	-	8.36

Financial Instruments measured at amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair value since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

42: Financial Risk Management - Objectives and Policies

The Group's principal financial liabilities comprise borrowings, trade payables, other financial liabilities and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations. The Group's financial assets include investments, trade receivables, cash and cash equivalents, other bank balances, loans and other financial assets.

The Group is exposed to market risk, credit risk and liquidity risk. The Group has a Risk management policy and its management is supported by a Risk management committee that advises on risks and the appropriate risk governance framework for the Group. The Risk management committee provides assurance to the Group's management that the Group's risk activities are governed by appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and other price risk, such as commodity price risk and equity price risk. Financial instruments affected by market risk include FVTOCI investments, FVTPL investments, trade payables, trade receivables, etc.

(a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a foreign currency exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities. The Group monitors the foreign exchange fluctuations on continuous basis and advises the management of any material adverse effect on the Group and for taking risk mitigation measures. The Group enters into forward exchange contracts against its foreign currency exposure relating to recognised underlying liabilities and firm commitments. The Group does not enter into any derivative instruments for trading or speculative purposes.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD, Euro and JPY exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in million)

	31st March 2024						31st March 2023					
	USD	INR	EURO	INR	JPY	INR	USD	INR	EURO	INR	JPY	INR
Foreign Currency Receivable/ (Payable) (Net)	5.43	448.03	6.25	562.76	(15.90)	(8.76)	4.17	338.24	6.46	576.40	(9.78)	(6.05)
Depreciation in Indian Rupees		5%		5%		5%		5%		5%		5%
Effect on Profit before Tax		22.40		28.14		(0.44)		16.91		28.82		(0.30)
Appreciation in Indian Rupees		5%		5%		5%		5%		5%		5%
Effect on Profit before Tax		(22.40)		(28.14)		0.44		(16.91)		(28.82)		0.30

Total hedged foreign currency payable - USD 1.28 million equivalent to Rs. 106.35 Million (Previous year - NIL).

(b) Commodity price risks

The Group is affected by the price volatility of methanol, one of its major raw material. Its operating activities require a continuous supply of methanol. The Group monitors price and demand/supply situation on continuous basis and advises the management of any material adverse effect on the Group and for taking risk mitigation measures.

Commodity price sensitivity

The following table shows the effect of price changes in Methanol on Profit before Tax, with all other variable held constant:

	31st March 2024		31st March 2023	
Consumption of Methanol	3,291.47		3,648.92	
Price change	+5%	-5%	+5%	-5%
Effect on Profit before Tax	(164.57)	164.57	(182.45)	182.45

(c) Equity price risks

The Group's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments/mutual funds. Reports on the investment portfolio are submitted to the Group's management on a regular basis.

Equity price sensitivity

The following table shows the effect of price changes in quoted & unquoted equity shares and unquoted alternative investment funds.

	31st March 2024		31st March 2023	
Investment	158.10		167.59	
Price change	+5%	-5%	+5%	-5%
Effect on Profit before Tax	7.91	(7.91)	8.38	(8.38)

(ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables).

Trade receivables

An impairment analysis is performed at each reporting date on an individual basis for all the customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on credit losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed as the Group does not hold collateral as security. The Group has evaluated the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(iii) Liquidity risk

Liquidity risk is the risk that Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial asset and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

The table below analyse the financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amount disclosed in the table are the contractual undiscounted cash flow.

(Rs. in million)

	Less than 1 year	1 to 5 years	Over 5 years	Total	Carrying value
As at 31st March, 2024					
Borrowings (refer note 17)	2,096.54	2,106.30	919.84	5,122.68	5,067.22
Trade payable (refer note 22)	2,236.82	-	-	2,236.82	2,236.82
Lease Liability (refer note 18)	2.46	9.85	56.62	68.93	22.91
Other financial liabilities (refer note 19)	356.85	-	-	356.85	357.06
As at 31st March, 2023					
Borrowings (refer note 17)	1,876.30	2,018.61	1,171.97	5,066.88	5,076.04
Trade payable (refer note 22)	2,306.20	-	-	2,306.20	2,306.20
Lease Liability (refer note 18)	2.55	10.19	61.14	73.88	23.87
Other financial liabilities (refer note 19)	526.23	-	-	526.23	526.23

43: Capital Management

The Group's objective when managing capital (defined as net debt and equity) are to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefit for other stakeholders, while protecting and strengthening the balance sheet through the appropriate balance of debt and equity funding. The Group manages its capital structure and makes adjustments to it, in light of changes to economic conditions and strategic objectives of the Group. The Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

44: Related Party Disclosures

(i) List of related parties and relatives with whom transaction taken place:

Name of the Related Parties	Relationship
1. Vardhan Limited	Holding Company
2. Mr. R. V. Kanoria - Chairman & Managing Director	Key Management Personnel (KMP)
3. Mr. S. V. Kanoria - Whole Time Director	
4. Mr. Amitav Kothari - Director	
5. Mr. H.K. Khaitan - Director	
6. Mr. Sidharth K. Birla - Director	
7. Mr. A. Vellayan - Director	
8. Mrs. M. Kanoria - Director	
9. Mrs. Suhana Murshed - Director	
10. Mr. A. V. Kanoria	Relative of KMP
11. Mrs. V. Kanoria	
12. KPL International Limited	Enterprise over which KMP exercises significant influence
13. Kirtivardhan Finvest Services Limited	
14. R V Investment & Dealers Limited	
15. Ludlow Jute & Specialities Limited	
16. Fytomax Nutrition Pvt Ltd	
17. Cosyst Holding AG	
18. Kanoria Employees' Provident Fund Trust	Post Employment Benefit Plan entity

(ii) Transaction with related parties:

(Rs. in million)

Nature of Transaction	2023-2024				2022-2023			
	Holding Company	KMP/ Relative of KMP	Enterprise over which KMP exercises significant influence	Post Employment Benefit Plan entity	Holding Company	KMP/ Relative of KMP	Enterprise over which KMP exercises significant influence	Post Employment Benefit Plan entity
Dividend Paid								
Vardhan Limited	-	-	-	-	26.19	-	-	-
R V Investment & Dealers Limited	-	-	-	-	-	-	3.21	-
Kirtivardhan Finvest Services Limited	-	-	-	-	-	-	1.15	-
Mr. R. V. Kanoria	-	-	-	-	-	0.46	-	-
Mr. S. V. Kanoria	-	-	-	-	-	0.56	-	-
Mr. A. Vellayan	-	-	-	-	-	0.02	-	-
Mrs. M. Kanoria	-	-	-	-	-	0.50	-	-
Mr. A. V. Kanoria	-	-	-	-	-	0.43	-	-
Directors' Fees								
Mr. Amitav Kothari	-	0.36	-	-	-	0.22	-	-
Mr. H.K. Khaitan	-	0.42	-	-	-	0.39	-	-
Mr. Ravinder Nath	-	-	-	-	-	0.14	-	-
Mr. G. Parthasarathy	-	-	-	-	-	0.14	-	-
Mr. Sidharth K Birla		0.39	-	-		0.32	-	-
Mr. A. Vellayan	-	0.27	-	-	-	0.24	-	-
Mrs. M. Kanoria	-	0.26	-	-	-	0.21	-	-
Mrs. Suhana Murshed	-	0.25	-	-	-	0.20	-	-
Remuneration								
Mr. R. V. Kanoria	-	0.58	-	-	-	0.57	-	-
Mr. S. V. Kanoria	-	17.69	-	-	-	17.70	-	-
Mr. A. V. Kanoria	-	24.80	-	-	-	21.78	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(ii) Transaction with related parties:

(Rs. in million)

Nature of Transaction	2023-2024				2022-2023			
	Holding Company	KMP/ Relative of KMP	Enterprise over which KMP exercises significant influence	Post Employment Benefit Plan entity	Holding Company	KMP/ Relative of KMP	Enterprise over which KMP exercises significant influence	Post Employment Benefit Plan entity
Borrowings								
Mr. A. V. Kanoria	-	92.41	-	-	-	-	-	-
Vardhan Limited	145.00	-	-	-	125.00	-	-	-
R V Investment & Dealers Limited	-	-	70.00	-	-	-	-	-
Cosyst Holding AG	-	-	92.41	-	-	-	-	-
Repayment of Borrowings								
Vardhan Limited	145.00	-	-	-	-	-	-	-
R V Investment & Dealers Limited	-	-	70.00	-	-	-	-	-
Interest Expenses for the year								
Mr. A. V. Kanoria	-	0.15	-	-	-	-	-	-
Vardhan Limited	12.41	-	-	-	3.39	-	-	-
R V Investment & Dealers Limited	-	-	0.53	-	-	-	-	-
Cosyst Holding AG	-	-	0.90	-	-	-	-	-
Purchases of Raw Material								
KPL International Limited	-	-	217.06	-	-	-	106.13	-
Purchases of PPE								
KPL International Limited	-	-	127.55	-	-	-	15.92	-
Purchases of Spare Parts								
KPL International Limited	-	-	4.28	-	-	-	12.67	-
Commission Paid								
KPL International Limited	-	-	2.24	-	-	-	0.63	-
Rent received								
KPL International Limited	-	-	1.20	-	-	-	1.02	-
Goods Sold								
Ludlow Jute & Specialities Limited	-	-	-	-	-	-	0.30	-
Sale of Plant & Equipment								
Fytomax Nutrition Pvt Ltd	-	-	45.00	-	-	-	-	-
Sale of Intangible Assets under Development								
Fytomax Nutrition Pvt Ltd	-	-	15.00	-	-	-	-	-
Rent received								
Fytomax Nutrition Pvt Ltd	-	-	0.05	-	-	-	0.05	-
Issue of Equity Shares of Subsidiary								
Cosyst Holding AG	-	-	469.97	-	-	-	-	-
Sale of Investment								
Cosyst Holding AG	-	-	223.82	-	-	-	-	-
Contribution during the year (includes Employees' share and contribution)								
Kanoria Employees' Provident Fund Trust	-	-	-	4.39	-	-	-	4.39
Balances as at 31st March								
Remuneration Payable								
Mr. R. V. Kanoria	-	0.17	-	-	-	0.13	-	-
Mr. S. V. Kanoria	-	0.16	-	-	-	0.14	-	-
Borrowings								
Mr. A. V. Kanoria	-	92.41	-	-	-	-	-	-
Vardhan Limited	125.00	-	-	-	125.00	-	-	-
Cosyst Holding AG	-	-	92.41	-	-	-	-	-
Creditor								
KPL International Limited	-	-	88.79	-	-	-	85.05	-
Interest Payable								
Mr. A. V. Kanoria	-	0.15	-	-	-	-	-	-
Cosyst Holding AG	-	-	0.89	-	-	-	-	-
Rent Receivable								
Fytomax Nutrition Pvt Ltd	-	-	0.00	-	-	-	0.00	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

45: The Company does not have any transactions with companies which are struck off except the following:

Name of the Company	Nature of transaction	As at 31st March 2024 (Amount in Rs.)	As at 31st March 2023 (Amount in Rs.)	Relationship with the struck off company
Nilgiri Investment Co. Pvt. Ltd.	Shares held by struck off company	3,390.00	3,390.00	Shareholder

46. None of the Loans or Advances in the nature of loans as at 31st March, 2024 and as at 31st March, 2023 are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are: (a) repayable on demand or (b) without specifying any terms or period of repayment.

47. The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

48. No proceedings have been initiated or pending against the group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

49. The group has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with Companies (Restriction on number of Layers) Rules, 2017.

50. The group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) 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 (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

51. The group 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 (i) 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 (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

52. The group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year ended 31st March, 2024 and 31st March, 2023 in the tax assessments under the Income Tax Act, 1961.

53. The group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

54. The group has not been declared wilful defaulter by any bank or financial Institution or other lender.

55. Figures for the previous year have been regrouped/rearranged, wherever found necessary.

Signature to Note 1 to 55

As per our report of even date annexed

For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E

RAJIV SINGHI
Partner
Membership No. 053518

Place: Kolkata
Date: 28th May, 2024

For and on behalf of the Board

SIDHARTH K. BIRLA
Director
(DIN:00004213)

R. V. KANORIA
Managing Director
(DIN:00003792)

N. K. NOLKHA
Group Chief Financial Officer

NEHA SARAF
Company Secretary
(ACS: 27024)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FORM AOC-1: Statement containing Salient Features of Financial Statements of Subsidiary/Associates/Joint Ventures for the year ended 31st March, 2024, pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

PART "A" : Subsidiaries

(Rs. in million)

Name of Subsidiaries	Kanoria Africa Textiles Plc	APAG Holding AG (Consolidated)
Country of incorporation	Ethiopia	Switzerland
The Date since when subsidiary was acquired	23.07.2012	02.05.2012
Principal Business Activities	Textile	Electronic Automotive
Reporting Currency	USD	CHF
Exchange Rate as on 31.3.2024	Rs. 83.3466	Rs. 92.4075
(a) Equity Share Capital	2,252.02	48.05
(b) Other Equity	(1,284.68)	407.10
(c) Total Assets	3,569.06	5,072.38
(d) Total Liabilities	2,601.72	4,617.23
(e) Turnover	1,081.15	7,900.75
(f) Profit before Taxation	(166.48)	(160.30)
(g) Provision for Taxation	-	214.87
(h) Profit after Taxation	(166.48)	(375.17)
(i) Other comprehensive income for the year (net of tax)	-	-
(j) Total comprehensive income for the year	(166.48)	(375.17)
(k) Proposed Dividend	-	-
(l) % of Shareholding	100.00%	55.00%

PART "B" : Associates/Joint Ventures - Not Applicable

For and on behalf of the Board

SIDHARTH K. BIRLA
Director
(DIN:00004213)

R. V. KANORIA
Managing Director
(DIN:00003792)

N. K. NOLKHA
Group Chief Financial Officer

NEHA SARAF
Company Secretary
(ACS: 27024)

Place: Kolkata
Date: 28th May, 2024

Kanoria Chemicals
& Industries Limited

Registered Office

Kanoria Chemicals & Industries Limited
'KCI Plaza', 6th Floor, 23-C,
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