



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

Date: 2nd September, 2025

To, The Manager, Listing Department National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Symbol: KANORICHEM	To, The Secretary, BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001 Script Code: 506525
--	---

Dear Sir,

Sub: Notice of the 65th Annual General Meeting & Annual Report for the F.Y. 2024-25

Pursuant to the provisions of Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we are attaching herewith the Notice of the Annual General Meeting and Annual Report for the F.Y. 2024-25 of the Company. The Annual General Meeting shall be held on Friday, 26th September 2025 at 11:00 A.M. IST through Video Conference ("VC") /Other Audio-Visual Means ("OAVM").

The Notice of the Annual General Meeting and Annual Report for the F.Y. 2024-25 of the Company is being sent through electronic mode to the shareholders of the company at their email address(es) registered with the Company / Depository Participants.

Also, a letter is being sent to those shareholders(s) who have not registered their email address (es) either with the Company / Depository / RTA of the Company as on the cut-off date i.e., Friday, 22nd August 2025.

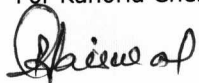
The cut-off date for remote e-voting is Friday, 19th September, 2025. The remote e-voting period commences on Tuesday, the 23rd September, 2025 (9:00 A.M.) and ends on Thursday, the 25th September, 2025 (5:00 P.M.).

The same 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


Pratibha Jaiswal
Company Secretary



Encl.: as above



Kanoria Chemicals
& Industries Limited

Kanoria Chemicals & Industries Limited

CIN: L24110WB1960PLC024910

Registered Office: "KCI Plaza", 6th Floor, 23-C, Ashutosh Chowdhury Avenue, Kolkata – 700 019

Phone: (033) 4031 3200

Email: investor@kanoriachem.com, Website: www.kanoriachem.com

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the 65th Annual General Meeting of the Members of **Kanoria Chemicals & Industries Limited** will be held on **Friday, the 26th September, 2025 at 11.00 A.M.** through Video Conference ("VC")/Other Audio Visual Means ("OAVM") to transact the following business(es):

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (including the Consolidated Financial Statements) of the Company for the financial year ended 31st March 2025 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Madhuvanti Kanoria (DIN: 00142146) who retires by rotation and, being eligible, offers herself for re-appointment as Director of the Company.

SPECIAL BUSINESS

3. Ratification of Remuneration to Cost Auditors of the Company.

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED that pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactment thereof, for the time being in force), the 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 by them in the course of cost audit payable to M/s. N. D. Birla & Co., Cost Accountants (Firm Registration No. 000028), appointed as the Cost Auditors by the Board of Directors of the Company on the recommendation of the Audit Committee, for conducting the audit of the cost records of the Company for the financial year ending on 31 March 2026, be and is hereby ratified and confirmed.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

4. Appointment of Secretarial Auditors of the Company.

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 204 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 9



of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), read with Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended from time to time, including any circulars issued thereunder and pursuant to recommendation of the Audit Committee and the Board of Directors, consent of the members of the Company be and is here by accorded for appointment of M/s. MR & Associates, Practicing Company Secretaries, (UIN No. P2003WB008000), a peer reviewed firm of company secretaries in practice bearing Peer Review Certificate No. 5598/2024 who have confirmed their eligibility as per the requirements of Regulation 24A of the SEBI Listing Regulations and circulars issued thereunder as the Secretarial Auditors of the Company for a term of 5 (Five) consecutive years with effect from F.Y. 2025-26 to 2029-30, on such remuneration as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Secretarial Auditors.

RESOLVED FURTHER that the Board of Directors be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient or incidental for the purpose of giving effect to this resolution and to settle any question or difficulty in connection herewith and incidental hereto.”

Registered Office

KCI Plaza, 6th Floor,
23C Ashutosh Chowdhury
Avenue, Kolkata – 700 019

Date: 5th August, 2025
Place: Kolkata

By Order of the Board of Directors

Pratibha Jaiswal
Company Secretary
Membership No.: 33981

NOTES

1. The Ministry of Corporate Affairs ("MCA") has vide its circular dated September 19, 2024 ("MCA Circular") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the MCA Circular, the AGM of the Company is being held through VC / OAVM.

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the aforesaid Circulars, the 65th Annual General Meeting of the Company will be conducted through Video Conference ("VC") / Other Audio Visual Means ("OAVM") and the businesses set out in the Notice will be transacted by the Members only through remote e-voting or through the e-voting system provided during the Meeting while participating through VC/OAVM facility. Further, for the purpose of technical compliance of the provisions of Section 96(2) of the Companies Act, 2013, the registered office of the Company at "KCI Plaza", 6th Floor, 23C, Ashutosh Chowdhury Avenue, Kolkata - 700 019 where the Company is domiciled, is deemed to be the place of holding of the AGM.

2. Company has engaged the services of National Securities Depository Limited ("NSDL") as the Agency for providing facility for remote e-voting, participation in the AGM through VC/OAVM and e-voting during the AGM in terms of said 'MCA Circulars.
3. The relevant Explanatory Statement pursuant to Section 102 of the Act, setting out material facts in respect of special businesses under item nos. 3 and 4 of the Notice, is annexed hereto.
4. Details pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of the Directors seeking appointment / re-appointment at this AGM are also annexed.
5. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.

6. DISPATCH OF ANNUAL GENERAL MEETING NOTICE AND ANNUAL REPORT THROUGH EMAIL AND REGISTRATION OF EMAIL IDs:

- i. In compliance with MCA and SEBI Circulars as stated earlier and owing to the difficulties involved in dispatching of physical copies of the financial statements including Board's Report, Auditor's Report or other documents required to be attached therewith (together referred to as Annual Report), the Annual Report for FY 2024-25 and Notice of AGM inter-alia, indicating the process and manner of voting through electronic means are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).
- ii. The Companies Act, 2013 in line with the measures undertaken by the Ministry of Corporate Affairs for promotion of Green Initiative, has introduced enabling provisions for sending notice of the meeting and other shareholder correspondences through electronic mode. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Company's Registrar and Share Transfer Agent, C B Management Services (P) Limited at rta@cbmsl.com. Members are requested to submit request letter mentioning the Folio No. and Name of Shareholder along with scanned copy of the Share Certificate (front and back) and self-attested copy of PAN card for updation of email address. Members holding shares in dematerialised mode are requested to register / update their email addresses with their Depository Participants.
- iii. The Notice of the AGM and the Annual Report of the Company for the Financial Year 2024-25 are available on the website of the Company at <https://www.kanoriachem.com/investors/annual-reports/>, on the website of Stock Exchanges i.e., BSE Limited and



National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of NSDL at www.evoting.nsdl.com

7. GENERAL INSTRUCTIONS FOR AGM THROUGH VC/OAVM:

- i. In compliance with provisions of Section 108 of the Companies Act, 2013; Rule 20 of the Companies (Management and Administration) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force); Regulation 44 of SEBI Listing Regulations, 2015 and Secretarial Standard on General Meetings (SS- 2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide Members with a facility to exercise their right to vote by electronic means for the business to be transacted at the AGM.
- ii. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- iii. In addition to remote e-voting, the facility for voting through electronic voting system shall also be made available during the AGM. Once the vote on a resolution is cast by the Members, the Member shall not be allowed to change it subsequently. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.
- iv. Members can join the AGM through VC/OAVM 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

8. INSTRUCTIONS FOR REMOTE E-VOTING AND JOINING AGM:

The remote e-voting period commences on **Tuesday, the 23rd September, 2025 (9:00 A.M.)** and ends on **Thursday, the 25th September, 2025 (5:00 P.M.)**. The remote e-voting module shall be disabled by NSDL for voting thereafter.

The Members, whose names appear in the Register of Members / Beneficial Owners as on the cut-off date i.e. Friday, **19th September, 2025** may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up Equity Share Capital of the Company as on the cut-off date, being Friday, **19th September, 2025**.

How do I vote electronically using NSDL e-Voting system?


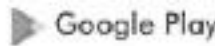


The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="text-align: center;">   </div> <div style="text-align: center;">   </div>



<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note:

Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***



5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:

- a) Click on **“Forgot User Details/Password?”** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **“Physical User Reset Password?”** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are

authorized to vote, to the Scrutinizer by e-mail to kanoriachemscrutinizer@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to Mr. Pritam Dutta, Assistant Manager at pritamd@nsdl.com / evoting@nsdl.com

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL IDS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR PROCURING USER ID AND PASSWORD AND REGISTRATION OF E MAIL IDS FOR E-VOTING FOR THE RESOLUTIONS SET OUT IN THIS NOTICE:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to rta@cbmsl.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to rta@cbmsl.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of



“VC/OAVM” placed under “**Join meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience and will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
3. Members who would like to express their views or ask questions during the AGM may register themselves as speaker by sending email to investor@kanoriachem.com from their registered email address, mentioning their name, DP ID and Client ID/folio number, mobile number between **Thursday, the 18th September 2025 and Friday, the 19th September 2025 (05:00 p.m.)**. Only those Members who have registered themselves as speaker will be able to speak at the Meeting. Speakers are requested to submit their questions at the time of registration to enable the Company to respond suitably. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, to ensure the smooth conduct of the AGM.

VOTING RESULTS:

- i. The Company has appointed Shri Amit Choraria (Membership No. 066838), Practicing Chartered Accountant and proprietor of Amit Choraria & Co., Kolkata as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- ii. The Results of voting will be declared within 2 working days from the conclusion of the AGM. The declared Results along with the Scrutinizer's Report shall be placed on the website of the Company www.kanoriachem.com and on the website of NSDL immediately after the declaration of result by the Chairman or any Director authorized by him in writing and shall also be displayed on the notice Board of the Company at its Registered Office and Corporate Office. The results shall also be immediately forwarded to BSE Limited and the National Stock Exchange of India Limited, where the shares of the Company are listed.

PROCEDURE FOR INSPECTION OF DOCUMENTS:

The Register of Directors and Key Managerial Personnel and their shareholding under Section 170 of the Act, the Register of Contracts with related party, and contracts and bodies etc. in which Directors are interested under Section 189 of the Act and other documents referred to in the accompanying Notice shall be available for inspection through electronic mode, on the request being sent to investor@kanoriachem.com and shall also be available for inspection during the AGM, upon login at NSDL e-voting system at <https://www.evoting.nsdl.com>

INVESTOR EDUCATION AND PROTECTION FUND (IEPF) RELATED INFORMATION:

- i. In accordance with the provisions of Sections 124 and 125 of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), as amended from time to time, during the year the unclaimed/unpaid dividend relating to financial year ended 31st March 2017 has been deposited with the Investor Education and Protection Fund ("IEPF") established by the Central Government.

The Company has been sending reminders to Members having unpaid/unclaimed dividends before transfer of such dividend(s) to IEPF. Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has also uploaded the details of unpaid and unclaimed dividends lying with the Company as on 31st March 2025 on its website and on the website of the Ministry of Corporate Affairs. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund (IEPF) Authority. Members who have a

valid claim to any of the unpaid/unclaimed dividends are requested to correspond with the Share Department of the Company at its Registered Office.

Further, shares on which dividend remains unpaid/unclaimed for seven consecutive years will also be transferred to the IEPF as per Section 124(6) of the Act, and the applicable Rules.

- ii. During the year 2024-25, the Company has transferred 23,521 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, as per the applicable provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended.
- iii. Shareholders who have not so far encashed their Dividend Warrants for any of the financial year 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22 may immediately approach the Company/its RTA for revalidation of unclaimed Dividend Warrants at least 10 days before they are due for transfer to the Investor Education and Protection Fund ("IEPF") established by the Central Government.
- iv. Members are informed that once the unpaid/unclaimed dividend or the shares are transferred to IEPF, the same may be claimed by the Members from the IEPF Authority by making an application in prescribed Form IEPF-5 online and sending the physical copy of the same duly signed (as per the specimen signature recorded with the Company) along with requisite documents as specified in Form IEPF-5 which is available on the website of IEPF at www.iepf.gov.in.

OTHER INFORMATION:

- i. For members who hold shares in physical form, SEBI, vide its Master Circular SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated 7th May 2024 read with SEBI/HO/MIRSD/POD1/P/CIR/2024/81 dated 10th June 2024, as amended from time to time, has mandated furnishing of PAN linked with Aadhaar and KYC details (i.e. e-mail address, postal address with PIN code, mobile number, bank account details, PAN details linked with Aadhaar etc.). In case any of the aforesaid documents/ details are not available in the record of the Company/ Registrar and Share Transfer Agent ("RTA"), the member shall not be eligible to lodge grievance or avail any service request from the RTA until they furnish complete KYC details/ documents. Further, with effect from 1st April 2024, any payment of dividend shall only be made in electronic mode to all members.
- ii. Regulation 40 of Listing Regulations, as amended read with SEBI vide its circular No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018, mandates that transfer, transmission and transposition of securities of listed companies held in physical form shall be effected only in demat mode. In view of the same, Members holding shares in physical form are requested to consider converting their holdings to demat mode. Shareholders who are desirous of dematerializing their securities may write to the Company at investor@kanoriachem.com or to the Registrar and Share Transfer Agent at rta@cbmsl.com. Further, SEBI, vide its Circular dated 25th January 2022, has clarified that listed companies, with immediate effect, shall issue the securities only in demat mode while processing investor service requests pertaining to issue of duplicate securities certificate, claim from unclaimed suspense account, renewal/exchange of securities certificate, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/ folios, transmission, transposition etc. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at <https://www.kanoriachem.com/investors/pan-kyc-forms/>
- iii. SEBI vide its Circular No. SEBI / HO/ MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 had mandated that for making dividend payments, companies whose securities are listed on the Stock Exchanges shall use electronic clearing services (local, regional or national), direct credit, real time gross settlement, national electronic funds transfer, etc. The Company and its RTA are required to seek relevant bank details of shareholders from depositories/ investors for making payment of dividends in electronic mode. It is also required to print the bank details on the physical instrument if the payment is made in physical mode. Further, pursuant



to General Circular 20/2020 dated 5th May, 2020 companies are directed to credit the dividend of the shareholders directly to the bank accounts of shareholders using Electronic Clearing Service. Accordingly, Members are requested to provide or update (as the case may be) their bank details with the respective depository participant for the shares held in dematerialized form and with the RTA in respect of shares held in physical form.

- iv. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/ CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/ OIAE/OIAE_IAD- 1/P/ CIR/2023/145 dated July 31, 2023 (updated as on August 4, 2023), has established a common Online Dispute Resolution Portal ('ODR Portal') for resolution of disputes arising in the Indian Securities Market. Pursuant to above-mentioned circulars, the investor shall first take up his/her/their grievance with the Market Participant (Listed Companies, specified intermediaries, regulated entities) by lodging a complaint directly with the concerned Market Participant. If the grievance is not redressed satisfactorily, the investor may escalate the same through the SCORES Portal <https://scores.gov.in/scores/Welcome.html> in accordance with the process laid out. After exhausting the above options for resolution of the grievance, if the investor is still not satisfied with the outcome, he/she can initiate dispute resolution through the ODR Portal.
- v. We urge Members to support our commitment to environmental protection by choosing to receive the Company's communication through e-mail. Members holding shares in dematerialised form, who have not registered their e-mail addresses are requested to register their e-mail addresses with their respective Depository Participants, and the Members holding shares in physical form are requested to update their e-mail addresses with the Registrar and Share Transfer Agent at rta@cbmsl.com in Form ISR-1 or e-mail to investor@kanoriachem.com for receiving all communication, including Annual Reports, Notices, Circulars, etc. from the Company electronically.
- vi. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their respective Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar & Share Transfer Agent of the Company.
- vii. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify any change in information to Registrar and Share Transfer Agent or Company as soon as possible. Members are also advised not to leave their Demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
- viii. In all correspondence with the Company/Registrar & Transfer Agent, Members are requested to quote their Folio Number and in case their shares are held in the dematerialised form, they must quote their DP ID and Client ID Number.
- ix. Members are requested to contact the Company's Registrar & Share Transfer Agent, C B Management Services (P) Limited, Rasoi Court, 5th Floor, 20 R N Mukherjee Road, Kolkata – 700 001, Phone : (033) 4011 6700, email: rta@cbmsl.com, for reply to their queries/redressal of complaints, if any, or contact the Company Secretary at the Registered Office of the Company (Phone: (033) 4031 3200, email: pratibha.jaiswal@kanoriachem.com).
- x. Members, who wish to obtain any information regarding the accounts or any matter to be placed at the AGM, are requested to send an e-mail at investor@kanoriachem.com by Friday, the 19th September, 2025 (5.00 P.M.). The same will be replied by the Company suitably.
- xi. Pursuant to Section 72 of the Companies Act, 2013 and Rules made thereunder, Members holding shares in the physical form and desirous of making/changing nomination in respect of their shareholdings in the Company, are requested to submit the prescribed Form No. SH-13 and SH-14, as applicable for this purpose to the Company's Registrar & Share Transfer Agent.

- xii. Non-Resident Indian Members are requested to inform RTA, immediately on change in their residential status on return to India for permanent settlement, and update on particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with PIN Code number, if not furnished earlier.
- xiii. The transcript of the Meeting shall be uploaded on the website of the Company www.kanoriachem.com and the same shall also be maintained in safe custody of the Company. The registered office of the Company shall be deemed to be the place of Meeting for the purpose of recording the minutes of the proceedings of this AGM.
- xiv. Pursuant to provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company is maintaining an E-mail Id: investor@kanoriachem.com exclusively for quick redressal of members/investors grievances.

Re: Item No.2

DETAILS OF DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT/FIXATION OF REMUNERATION AT THE MEETING (including information pursuant to Regulation 36(3) of the Listing Regulations and SS-2)

Smt. Madhuvanti Kanoria (DIN: 00142146), aged about 70 years is a Non-Executive Director of the Company with effect from 11 February 2015. She retires by rotation at the 65th Annual General Meeting of the Company under Section 152 of the Companies Act, 2013 and, being eligible, has offered herself for re-appointment as a Non-Executive Director of the Company.

Smt. Madhuvanti Kanoria, being a non-executive director, is only entitled to sitting fees for attending Board and Committee Meetings, and no profit based commission is payable in terms of the applicable provisions of the companies Act, 2013. During the financial year 2024-25, sitting fees of Rs. 2.1 lacs were paid to her.

Smt. Madhuvanti Kanoria, a graduate in Education (Hons.) from the Loreto College, Kolkata, is spouse of Shri R. V. Kanoria, Managing Director of the Company and mother of Shri S. V. Kanoria, Whole-Time Director of the Company. Smt. Madhuvanti Kanoria is a past President of the FICCI Ladies Organization (FLO), an arm of the Federation of Indian Chambers of Commerce & Industries. She is also a past Vice Chairperson of the SAARC Chamber Women Entrepreneurs Council (SCWEC).

She has keen interest in social services and is actively associated as trustee of various social foundations engaged in empowering the girls and women through education and vocational skills and in offering need-based scholarships to underprivileged female students who have the ability and the zeal to pursue advance studies.

She attended all the four Board Meetings held during the year 2024-25.

She is the Chairperson of the Corporate Social Responsibility Committee and not a member in any Committee of the Company. She holds 4,98,321 equity shares of the Company.

She is a Director in the following other companies:

Name of the Company	Position held
G R Estates Private Limited	Director
Shirshy Impex Private Limited	Director
R. V. Investment & Dealers Limited	Additional Director

She has not been a Director in any other listed company during the last three years, therefore the point of resignation does not arise.

She does not hold Committee chairmanship/ membership in any other company.

The Company has received intimation in Form DIR-8 from Smt. Madhuvanti Kanoria declaring that she is not disqualified from being appointed as a Director under Section 164 of the Companies Act, 2013 and is also not debarred or disqualified from being appointed or continuing as a Director in any company by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

The appointment of Smt. Madhuvanti Kanoria as a Director requires approval of the shareholders as per the provisions of the Companies Act, 2013. Hence, Item No. 2 of the Notice is placed for your approval. The Board recommends passing of the said resolution in the interest of the Company

Except Smt. Madhuvanti Kanoria, Shri R. V. Kanoria, Managing Director and Shri S. V. Kanoria, Whole-Time Director of the Company and their relatives who are shareholders of the Company, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the proposed resolution.

Registered Office

KCI Plaza, 6th Floor,
23C Ashutosh Chowdhury
Avenue, Kolkata – 700 019

Date: 5th August, 2025
Place: Kolkata

By Order of the Board of Directors

Pratibha Jaiswal
Company Secretary
Membership No.: 33981



ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

The Board of Directors, on the recommendation of the Audit Committee, has considered and approved the appointment of M/s. N. D. Birla & Co., Cost Accountants (Firm Registration No. 000028), as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending on 31 March 2026 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 by them in the course of cost audit.

Pursuant to Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors, as recommended by the Audit Committee and approved by the Board of Director of the Company, has to be ratified by the shareholders of the Company.

Accordingly, the Ordinary Resolution set out as Item No. 3 of the Notice is placed for ratification of the remuneration of the Cost Auditors in terms of Section 148 of the Companies Act, 2013. The Board of Directors recommends passing of the said resolution in the interest of the Company.

None of the Directors or Key Managerial Personnel (KMPs) of the Company either directly or through their relatives is in any way concerned or interested, whether financially or otherwise, in the proposed Resolution.

Item No. 4

In terms of Section 204 of the Companies Act, 2013 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') as amended, the Company is required to appoint Secretarial Auditors as recommended by the Board of Directors ('the Board') with approval of the Shareholders in the Annual General Meeting for a period of 5 (five) years with effect from 1st April 2025 to conduct the Secretarial Audit of the Company.

The Board of Directors, based on the recommendation of the Audit Committee and subject to approval of the shareholders, appointed M/s. MR & Associates, Practicing Company Secretaries, (UIN No. P2003WB008000), a peer reviewed firm of company secretaries in practice bearing Peer Review Certificate No. 5598/2024 as Secretarial Auditors of the Company for a term of five (5) years with effect from F.Y. 2025-26 to 2029-30.

The Committee also considered the eligibility of M/s. MR & Associates in terms of SEBI/HO/CFD/ CFDPoD-2 /CIR/P/2024/185 dated December 31, 2024 (SEBI Implementation Circular) read with Regulation 24A(1A) of SEBI Listing Regulations.

M/s. MR & Associates is a firm of Practicing Company Secretaries established in the year 1996 and is currently operating in Kolkata with a specialized team. The firm carries out its work within the framework of applicable professional standards, laws, and regulations, as well as the standards set by the firm itself. M/s. MR & Associates, Practicing Company Secretaries have given their consent to act as the Secretarial Auditors of the Company and have confirmed that their appointment, if made, will be within the limit specified under applicable regulations. They have also confirmed that they hold a valid certificate issued by the Peer Reviewed Board of ICSI and are not disqualified to be appointed as secretarial auditors in terms of the provisions of the Section 204 of the Companies Act, 2013 and the Rules made thereunder, read with Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, other applicable Regulations, and circulars issued thereunder.

The Board, based on the recommendations of the Audit Committee, approved a remuneration of Rs. 1,50,000/- (Rupees One Lakh & Fifty Thousand Only), plus applicable taxes and reimbursement of other incidental expenses for the financial year 1st April 2025 to 31st March 2026. The remuneration for subsequent years would be mutually agreed and approved by the Audit Committee and the Board. The Board has decided to appoint a new Secretarial Auditor considering the changes in the regulatory landscape.

Further, there is no material change in the remuneration payable to such auditor from that paid to the outgoing auditor.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, is in any way concerned or interested in this resolution.

The Board of Directors recommends the resolution for approval by the Members.

Registered Office

KCI Plaza, 6th Floor,
23C Ashutosh Chowdhury
Avenue, Kolkata – 700 019

Date: 5th August, 2025
Place: Kolkata

By Order of the Board of Directors

Pratibha Jaiswal
Company Secretary
Membership No.: 33981



Kanorja Chemicals
& Industries Limited



ANNUAL REPORT

2024-25

ANNUAL REPORT

2024-25

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

Pratibha Jaiswal

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





Mr. R.V. Kanoria
Chairman & Managing Director

Board of DIRECTORS



Mr. Sidharth K. Birla
Non-Executive Independent Director



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



Mrs. Madhuvanti Kanoria
Non-Executive Non-Independent Director



Mr. S.V. Kanoria
Wholetime Director



Mrs. Suhana Murshed
Non-Executive Independent Director



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



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



Table of CONTENTS

CHAIRMAN'S STATEMENT	03
THE YEAR IN REVIEW	04
VALUE	09
DIRECTORS' REPORT	11
REPORT ON CORPORATE GOVERNANCE	32
INDEPENDENT AUDITORS' STANDALONE REPORT	55
STANDALONE BALANCE SHEET	65
STANDALONE STATEMENT OF PROFIT & LOSS	66
STANDALONE STATEMENT OF CHANGES IN EQUITY	67
STANDALONE CASH FLOW STATEMENT	68
INDEPENDENT AUDITORS' CONSOLIDATED REPORT	105
CONSOLIDATED BALANCE SHEET	113
CONSOLIDATED STATEMENT OF PROFIT & LOSS	114
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	115
CONSOLIDATED CASH FLOW STATEMENT	116





Chairman's STATEMENT

Dear Shareholders,

The fiscal year 2024-2025 has been one of challenges and transitions for the global economy, for India, and for our businesses. Uncertainties have further intensified with the recalibration of trade and supply chain models, particularly in response to the United States' tariff policies. India too has been impacted by high US tariffs on some of its products, underlining the need to accelerate improvements in the ease and cost of doing business to remain globally competitive. This is an opportune time to take difficult decisions to bring about radical structural reform and recalibration of economic policy.

Against this backdrop, our performance has been mixed, with strong results in some areas offset by stresses in others.

Chemicals Business – Stronger Performance and Growth Prospects

Our chemicals manufacturing business in India performed significantly better than in the previous year. One of the positive developments was the imposition of anti-dumping duty on Pentaerythritol in the domestic market, which provided a fairer competitive environment and supported our margins.

During the year, we also commissioned our expanded hexamine plant and a formaldehyde plant, both of which will enhance our production capabilities and market reach. Our resin business has shown promising improvement, with margins strengthening and demand trends becoming more favourable.

Looking ahead, we see opportunities to further strengthen this business by pursuing new product lines, expanding into fresh market segments, and continuing our disciplined focus on cost-cutting, efficiency enhancement, and process optimisation. These efforts will ensure that we remain competitive, sustainable, and well-prepared for emerging opportunities.

Electronic Auto Components – Restructuring for the Future

APAG CoSyst Group operating in Europe and North America, under Company's material subsidiary, APAG Holding AG, Switzerland, faced a difficult year due to the ongoing challenges in the European auto industry, which is undergoing rapid and disruptive change. In response, we are entering into a strategic partnership under which the Strategic Investor(s) will infuse

fresh capital in APAG in order to acquire, subject to approval of the shareholders, 63% of the shareholding in this business. Kanoria Chemicals and Industries Limited will retain 14.3% of the diluted shareholding.

This restructuring will ensure the business has access to fresh resources and industry expertise, while allowing us to maintain a long-term interest in its recovery and future growth.

Textile Business in Ethiopia – Gradual Recovery in a Better Policy Environment

Our denim manufacturing business in Ethiopia performed better than in the previous year, though it continues to face financial strain due to high debt servicing. During the year, the Ethiopian Birr was sharply devalued as part of the IMF support package to the country, with the exchange rate moving from 56 Birr to the US Dollar to 133 Birr to the US Dollar. This has had a significant accounting impact, making the results for the previous year and the current year not directly comparable.

Encouragingly, Ethiopia's policy environment has improved considerably, making it easier to operate and invest. We expect these changes, together with our ongoing operational improvements, to help deliver a better performance in the current year.

Outlook

While the year presented its share of difficulties, it has also demonstrated the resilience of our core businesses and the importance of taking decisive action. With our chemical business on a stronger footing, a restructured auto components operation, and a more promising outlook for our textile operations, we are cautiously optimistic about the year ahead.

We will continue to focus on operational excellence, prudent capital allocation, and agility in responding to market changes.

Acknowledgement

On behalf of the Board, I thank our shareholders for their trust, our employees for their dedication, and our partners and customers for their confidence.

R. V. Kanoria
Chairman & Managing Director

The Year IN REVIEW

In the financial year ended 31st March 2025, 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

The operations of the Chemicals business of the Company, during the year under review, remained robust and efficient resulting in higher volumes of production and sales and improved margins.

The Revenue from Operations of the Company on a standalone basis increased by 18% from 5,769 million in the year 2023-24 to Rs. 6,783 million during the year under review. The efficient operations of the plant and imposition of anti-dumping duty on imports of Pentaerythritol from a few countries resulted in improved profitability. As a result, the EBITDA increased by 69% from Rs. 317 million in the immediately preceding year to Rs. 536 million in 2024-25. The profit before exceptional items & tax multiplied over 8 times at Rs. 175 million in the year 2024-25. The Company has impaired the value of its investments in equity shares of its foreign subsidiaries by Rs. 450 million. As a result, the Company incurred a loss of Rs. 389 million from its continuing operations after tax as against a profit of Rs. 25 million in the year 2023-24. The Company, during the year, sold its Solar Power business on a Slump Sale basis and the result of this has been classified under Discontinued Operations. The company earned a profit of Rs. 9 million from its discontinued operations as against a loss of Rs. 36 million in the previous financial year. Overall the Company's loss increased from Rs. 11 million in the year 2023-24 to Rs. 380 million in the year 2024-25.

The operations at APAG CoSyst Group (APAG), engaged in the manufacturing of electronics for the Automotive and Industrial segment, was negatively impacted owing to a combination of number of factors primarily global trade uncertainties, low cost Asian alternatives, higher development cost etc. APAG's Revenue from Operations decreased marginally from Rs. 7,901 million in the year 2023-24 to Rs. 7,824 million in the year 2024-25. APAG incurred an EBITDA loss of Rs. 66 million as against a profit of Rs. 277 million in the previous financial year. The Net Loss increased to Rs. 546 million as against Rs. 375 million during the immediately preceding year.

The operations at Kanoria Africa Textiles plc (KAT), another foreign subsidiary of the Company based in Ethiopia, were adversely affected by acute shortage of foreign currency for importing raw materials during the first 5 months of the financial year and then a liberalisation of foreign currency market resulting in a devaluation of local currency "Birr" by over 130%. **As a result of this devaluation and a onetime impact on the costs of KAT between the pre & post liberalisation era, the results are not comparable.** The, Revenue from Operations, despite better volumes, shows a decrease of 30% from Rs. 1,081 million during FY 2023-24 to Rs. 760 million during the year under review. Consequently, KAT incurred a Net Loss of Rs. 312 million as against a loss of Rs. 166 million in the immediately preceding year.

The Consolidated Revenue from Operations increased by 4% and was at Rs. 15,367 million during the year as against Rs. 14,751 million in the previous year. The Consolidated EBITDA was at Rs. 406 million as against Rs. 715 million in the previous year. The management decided to impair goodwill of Rs. 294 million which was created on acquisition of APAG. As a result, the overall Net Loss was at Rs. 1,081 million as against Rs. 553 million in the immediately preceding year.

Key Financial Ratios

Particulars	2024-25	2023-24
Debtors Turnover	7.24	6.97
Inventory Turnover	11.55	10.49
Interest Coverage Ratio	3.65	2.92
Current Ratio	0.93	1.14
Debt Equity Ratio	0.33	0.22
Operating Profit Margin (%)	5.80	1.12
Net Profit Margin (%)*	1.01	0.22
Return on Net Worth (%)	1.13	0.20

*excludes exceptional items

Interest Coverage Ratio was due to improved EBITDA. Operating Profit Margin, Net Profit Margin and Return on Net worth increased due to better Profitability. Debt Equity Ratio increased due to loan taken for the project and increase in working capital requirements.



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 successfully commissioned its 345 TPD Formaldehyde plant at Ankleshwar in September 2024, taking the total Formaldehyde production capacity to 1400 TPD across all manufacturing locations. Further, the Hexamine plant with 18 TPD capacity was also commissioned at Ankleshwar in September 2024, increasing the total Hexamine capacity to 52 TPD. These initiatives not only strengthen

backward integration but also ensure enhanced supply security for key raw materials.

- The Company's focus on innovation through its dedicated New Product Development (NPD) Cell has started delivering encouraging outcomes. As part of its product diversification strategy, significant progress has been made in the development of Triacetin, Pentaerythritol derivatives, and other specialty chemicals. Several product and process innovations are currently underway to expand the product portfolio and address emerging application segments.
- 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 Sodium Formate and Hexamine.
- The uncertainty of the geopolitical disturbances and its consequent impact on our business.

Performance

The Alco Chemicals Division experienced growth in production volumes compared to the previous year, driven by capacity expansion and sustained market demand. The Company also benefited from the rising demand for Pentaerythritol, supported by the imposition of Anti-Dumping Duty on its imports in May 2024, which provided some relief and helped stabilize market conditions. However, financial performance remained under pressure due to an intensely competitive market environment and the continued influx of low-priced imports of other products from traditional exporting countries.

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 that escalating geopolitical tensions may disrupt global supply chains and present a potential risk of reduced international demand. This may lead to excess global inventories and an increased likelihood of product dumping into India, which could adversely impact the Company's profitability.



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



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.

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 389 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.

A major policy change, Ethiopia decided to liberalize the exchange rate regime which was tightly controlled by the central bank of the country since more than half a century. This has come as a condition from International monetary fund for financing the country that is struggling against unmanageable debts and dwindling foreign reserves. The country witnessed a sharp fall in local currency from Birr 57 per USD to Birr 130 per USD by the time we close the books for the year. There was hardly any demand of our products after the devaluation as Market took some time to absorb this shock and adjust the prices accordingly. There is sales growth in current FY over 20% but when we convert the local currency into USD the growth is eaten up by the sharp devaluation of local currency.

The fact is the devaluation has created some challenges in current FY 2024-25 and some challenges will remain for some time but the long term outlook remains positive mainly because of two reasons. There was acute shortage of foreign currency in the past and with liberalization of exchange rate foreign currency is available for import of raw materials and essential spares and this will help in maximum capacity utilization. Secondly, export has become viable due to cheap cost of production in terms of USD. The company will definitely do very well once come out of debt burden which was committed when the interest rates were really low.



Electronics Automotive Segment

The combination of global trade uncertainty, the threat of low cost Asian alternatives, and the need to straddle the ICE and electric propulsion technologies (causing higher development costs allocated over similar volumes) continued to challenge the western automotive OEMs. Cost competitiveness, and consequently, demand was hampered.

With free capacity as a result of lower demand, many of APAG's large customers insourced programmes. The remainder passed on OEM pressure for price reductions. This had a negative effect on margins for the company in the current year and will affect top line in the years ahead as insourcing initiatives consummate. Moreover, OEMs pulled back on new development endeavours and APAG's ECU R&D division was faced with inadequate programme work.

This situation, however, was common across peers and resulted in the closure or consolidation of several similarly-sized competitors. This activity opens up future opportunities for the company even if with higher price pressure as competitors are now larger and enjoy more purchasing power in component negotiations.

To capitalise on this opportunity and to rebuild trust among customers and suppliers, APAG has found a strategic investor. The investment in the

company will infuse cash to pay off debts and strengthen the balance sheet. This should restore customer confidence especially in a sector where many competitors are no longer reliably stable and help win business to avoid shrinkage and slowly return to growth. It should also help improve credit insurance availability for APAG debts at the company's suppliers and allow improved payment terms and liquidity. The investor brings access to the Indian market as well where APAG's expertise is becoming relevant with luxury and ADAS features emerging in Indian OEM offerings.

Operationally APAG took steps to continue to be competitive in the changing landscape. Back office functions were shifted to India at lower employee compensation. The ECU R&D team was rationalised in Europe and North America and grown in India - both to reduce costs in the face of lower demand and to adapt to opportunities in India. Strategic Procurement is also being shifted to India over the next 8-10 months to tap potentially reduced prices in the local market where the distribution network for electronic components supports foreign country sourcing.

With these big strategic moves for operational efficiency, the strengthening of the balance sheet, and the access to the Indian market, the company is making every endeavour to successfully traverse the difficult market and return to growth.

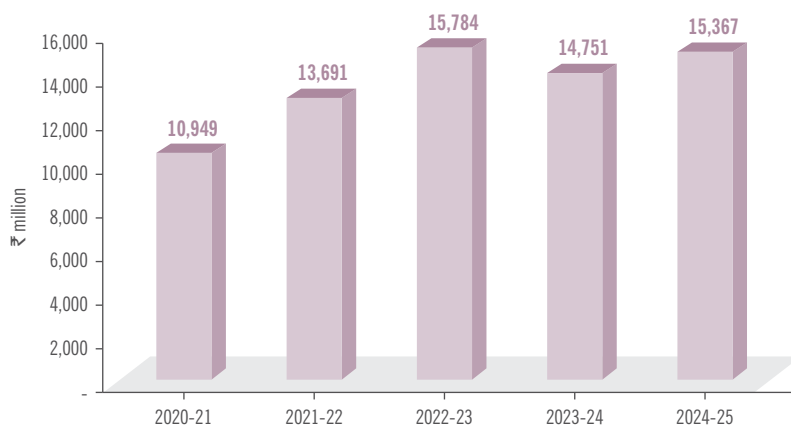


CAUTIONARY STATEMENT

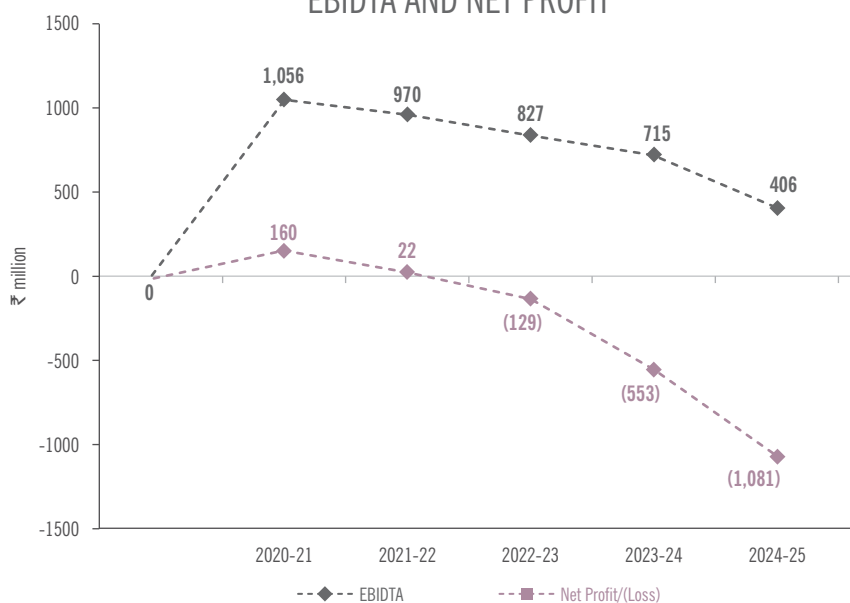
Statement in this 'Management Discussion and Analysis' describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed 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

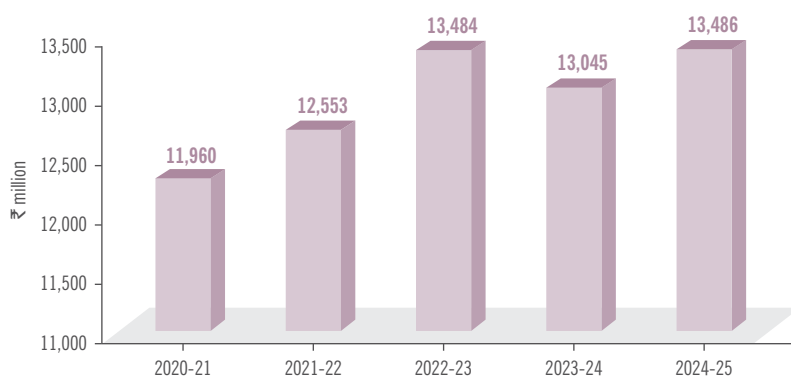
REVENUE FROM OPERATIONS



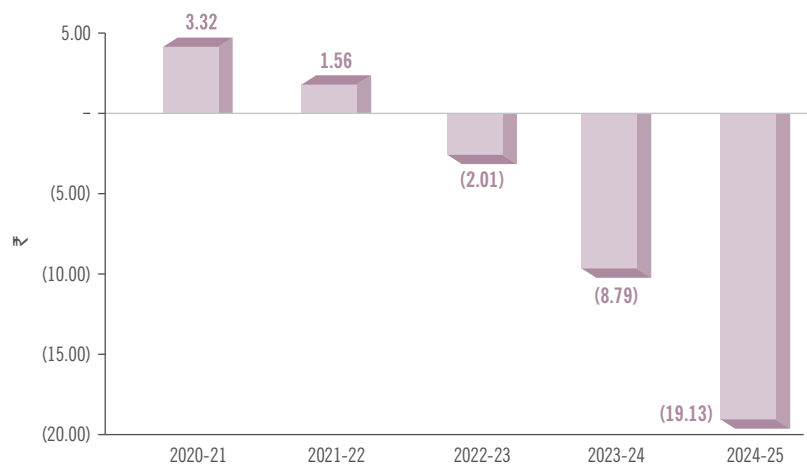
EBIDTA AND NET PROFIT



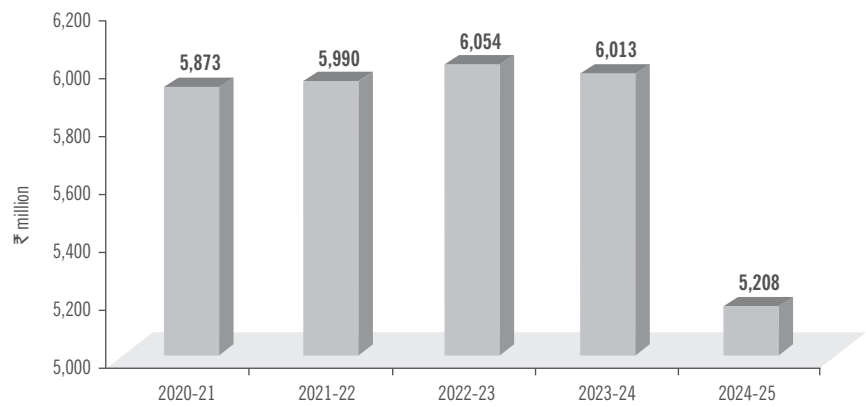
GROSS BLOCK



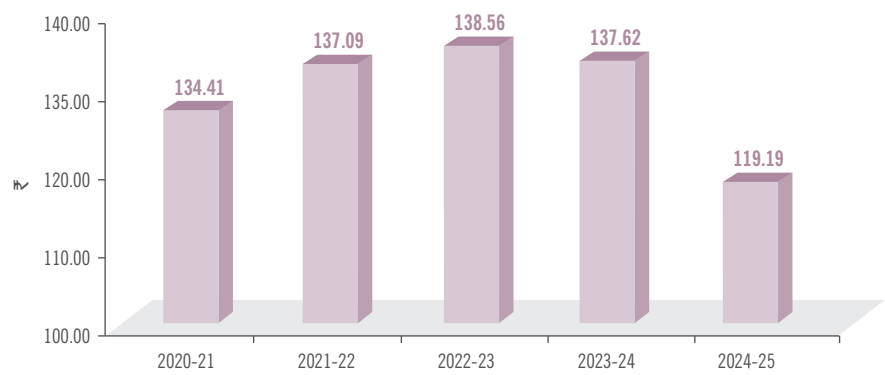
EARNING PER SHARE



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 Fifth** Annual Report, along with the Audited Accounts of the Company for the financial year ended 31st March 2025.

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 2025 is summarized below:

(Rs. in million)

Particulars	2024-2025	2023-2024
Total Income	6,925.54	6,021.01
Profit before Finance Costs, Depreciation & Amortization, Exceptional items and Tax	535.78	316.93
Finance Costs	160.70	115.36
Depreciation and Amortization	199.68	182.73
Profit before Exceptional Items and Tax	175.40	18.84
Exceptional Items	449.86	-
Profit/(Loss) from continuing operations before Tax	(274.46)	18.84
Tax Expenses	114.32	(5.71)
Profit/(Loss) from Continuing Operations after Tax	(388.78)	24.55
Profit/(Loss) from discontinued operations before Tax	(2.75)	(51.71)
Gain related to sale of discontinued operations	27.82	-
Tax expenses of discontinued operations	16.09	(16.02)
Profit/(Loss) after tax from Discontinued Operations	8.98	(35.69)
Profit/(Loss) for the year	(379.80)	(11.14)
Other Comprehensive Income for the year, net of Tax	(0.72)	(0.66)
Total Comprehensive Income for the year	(380.52)	(11.80)

STATE OF COMPANY'S AFFAIRS

During the year under review, the operational performance of the Company's chemical plants located in Ankleshwar, Vizag, and Naidupeta remained stable and efficient. All plants operated at healthy levels, contributing to increased manufacturing output leading to higher revenue and operating profits. The imposition of anti-dumping duty in May, 2024 on import of Pentaerythritol (one of the Company's key product) from a few countries also resulted in higher margins in the product and for the Company. While the situation has improved to some extent, we remain cautious with the cheap imports of Hexamine produced by the Company.

The Company remains firmly committed to its long-term strategic roadmap, Vision-2030, aimed at driving sustainable growth, leveraging economies of scale and expanding product offerings across domestic and international markets. In line with this vision, the Company successfully commissioned its 345 TPD Formaldehyde plant at Ankleshwar in September 2024, taking the total Formaldehyde production capacity to 1400 TPD across all manufacturing locations. Further, a Hexamine plant with 18 TPD capacity was also commissioned at Ankleshwar in September 2024, increasing the total Hexamine capacity to 52 TPD. These initiatives strengthen the Company's leadership position in the Indian market.

At the time of writing, the Company has started construction of a new Triacetin plant, as well as a multi-purpose plant for manufacturing Pentaerythritol Derivatives and other specialty chemicals. Several other product and process innovations are also underway to diversify the product portfolio and cater to emerging application areas. Notably, capacity augmentation and technology upgrades were undertaken at the Pentaerythritol and Resin plants to increase throughput and improve product quality. The Resin business has seen sustained demand from core segments, prompting further investment in capacity expansion, which is currently underway.

The returns from the erstwhile Solar Power Division have not been commensurate with the investments and risks involved in it. The Company therefore, divested the Solar Power Division on a slump sale basis based on a resolution of its Board of Directors passed by circulation on 3rd May, 2024.

No material changes and commitments have occurred after the close of the financial year 2024–25 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 2025.

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 2025.

CREDIT RATINGS

Care Ratings Limited has reviewed and rated the Long-term Bank facilities of the Company as CARE BB+ Stable, Rating Action : Downgraded from CARE BBB and removed from Rating watch with Negative Implications, Stable outlook assigned from the existing rating of CARE BBB (RWN) and rating for the short-term bank facilities as CARE A4+, Rating Action: Downgraded from CARE A3+ and removed from Rating watch with Negative Implications from the existing rating of CARE A3+ (RWN) on account of recent developments including operational and financial performance of the Company for FY24 (Audited) and 9MFY25 (Unaudited) and revocation of order received from Gujarat Pollution Control Board (GPCB) regarding closure of Industrial Plant at Ankleshwar, Dist. Bharuch and resumption of operations of the plant from 10th October, 2024.

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 2025 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 Amitav Kothari (DIN: 01097705), Shri A Vellayan (DIN: 00148891) and Shri Hemant Kumar Khaitan (DIN:00220049) ceased to be a Director of the Company on end of their second term as Independent Director on 4th September, 2024.

At the 64th Annual General Meeting held on 16th September, 2024, the Shareholders approved the appointment of Shri Hemant Kumar Khaitan as a Non-Executive Non-Independent Director with effect from 4th September, 2024, liable to retire by rotation.

The Board are of the view that the contribution given by Shri Hemant Kumar Khaitan to Board processes and his knowledge, experience and performance, his continued association would benefit the Company.

At the 64th Annual General Meeting held on 16th September, 2024, the Shareholders approved the appointment of Smt. Meeta Makhan (DIN: 07135150) and Shri Sumanta Chaudhuri (DIN: 01998420) as Independent Directors of the Company, for a period of 5 consecutive years with effect from 4th September, 2024, not liable to retire by rotation.

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.

Shri Saumya Vardhan Kanoria (DIN: 02097441), was re-appointed as the Whole-Time Director of the Company for a period of 3 (three) years with effect from 1st April, 2025. His re-appointment was approved via Postal Ballot dated 10th May, 2025.

Except the above, there has been no change in the Board of Directors during the Financial Year ended March 31, 2025.

Smt. Madhuvanti Kanoria (DIN:00142146) retires by rotation at the ensuing AGM under the applicable provisions of the Act and being eligible, offers herself 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

Smt. Neha Saraf resigned as the Company Secretary and Compliance Officer of the Company with effect from the close of business hours on 15th December 2024. Upon recommendation of the Nomination and Remuneration Committee, the Board of Directors in its meeting held on 13th November 2024, approved the appointment of Smt. Pratibha Jaiswal (ACS 33981) as Company Secretary and Compliance Officer of the Company with effect from 16th December, 2024. Save and except as stated above, there are no other changes in the KMP's during the year.

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 familiarize 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 familiarize 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 familiarization 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/8933adf8b1/familiarisation-programme-for-independent-directors.pdf>

NUMBER OF MEETINGS OF BOARD OF DIRECTORS

During the financial year 2024-25, the Company held 4 (four) 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 Smt. Meeta Makhan, Shri Suhana Murshed and Shri Sidharth Kumar Birla, Independent Directors and Shri Rajiya Vardhan Kanoria, Chairman & Managing Director of the Company. Smt. Meeta Makhan is the Chairperson of the Committee. During the financial year 2024-25, the Company held 4 (four) 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 Smt. Suhana Murshed, Independent Director, Shri Saumya Vardhan Kanoria, Whole-Time Director and Hemant Kumar Khaitan, Director of the Company. Smt. Suhana Murshed, is the Chairperson 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 Sidharth Kumar Birla, Shri Sumanta Chowdhury and Smt. Meeta Makhan, Independent Directors, and Shri R. V. Kanoria, Chairman & Managing Director of the Company. Shri Sidharth Kumar Birla is the Chairman of the Committee.

The Committee met four times 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 <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 of Smt. Madhuvanti Kanoria, Director, Shri R.V. Kanoria, Managing Director and Smt. Meeta Makhan, 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 acts as a good Corporate Citizen, and 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 centers 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. 1.40 million as CSR expenditure during the financial year 2024-25 against the Budget of Rs. 1.40 million.

Two percent of average net profit of the company as per sub-section (5) of section 135 was Rs. 1.32 million.

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 <https://a.storyblok.com/f/209886/x/656982d5c3/corporate-social-responsibility-policy.pdf>

RISK MANAGEMENT COMMITTEE

The Risk Management Committee of the Company comprises of Shri R.V. Kanoria, Managing Director, Shri S.V. Kanoria, Whole-Time Director, Shri Sidharth Kumar Birla, Independent Director and Shri N.K. Nolkha - Group Chief Financial Officer. Shri R.V. Kanoria is the Chairman of the Committee. The Committee met twice during the financial year 2024-25, 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, organizational 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/minimize 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 Committee of Directors of the Company comprises of Shri R.V. Kanoria, Managing Director, Shri S. V. Kanoria, Whole-Time Director, Shri H.K. Khaitan, Non-Executive Director, Smt. Meeta Makhan and Smt. Suhana Murshed, Independent Directors. Shri R. V. Kanoria 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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

SUBSIDIARIES

A) APAG

The combination of global trade uncertainty, the threat of low cost Asian alternatives, and the need to straddle the ICE and electric propulsion technologies (causing higher development costs allocated over similar volumes) continued to challenge the western automotive OEMs. Cost competitiveness, and consequently, demand was hampered.

With free capacity as a result of lower demand, many of APAG's large customers insourced programmes. The remainder passed on OEM pressure for price reductions. This had a negative effect on margins for the company in the current year and will affect top line in the years ahead as insourcing initiatives consummate. Moreover, OEMs pulled back on new development endeavours and APAG's ECU R&D division was faced with inadequate programme work.

This situation, however, was common across peers and resulted in the closure or consolidation of several similarly-sized competitors. This activity opens up future opportunities for the company even if with higher price pressure as competitors are now larger and enjoy more purchasing power in component negotiations.

To capitalise on this opportunity and to rebuild trust among customers and suppliers, APAG has found a strategic investor. The investment in the company will infuse cash to pay off debts and strengthen the balance sheet. This should restore customer confidence especially in a sector where many competitors are no longer reliably stable and help win business to avoid shrinkage and slowly return to growth. It should also help improve credit insurance availability for APAG

debts at the company's suppliers and allow improved payment terms and liquidity. The investor brings access to the Indian market as well where APAG's expertise is becoming relevant with luxury and ADAS features emerging in Indian OEM offerings.

Operationally APAG took steps to continue to be competitive in the changing landscape. Back office functions were shifted to India at lower employee compensation. The ECU R&D team was rationalised in Europe and North America and grown in India - both to reduce costs in the face of lower demand and to adapt to opportunities in India. Strategic Procurement is also being shifted to India over the next 8-10 months to tap potentially reduced prices in the local market where the distribution network for electronic components supports foreign country sourcing.

With these big strategic moves for operational efficiency, the strengthening of the balance sheet, and the access to the Indian market; the company is making every endeavour to successfully traverse the difficult market and return to growth.

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.

For the past half century, Ethiopia tightly controlled the official value of its currency The Birr. That changed in July 2024, when unmanageable debts and dwindling foreign reserves forced the Ethiopian government to liberalize the exchange rate regime. The local currency Birr has been devalued from 56 Birr per USD to 130 Birr per USD by the time we close financial year 2024-25 on 31st March 2025. The Company has relied mainly on domestic sales due to the unavailability of foreign exchange in the country and the Central bank's policy of compulsory conversion of foreign currency into Birr for the past few years.

The Revenue of the company, which is mainly in Birr, has increased by 21% in terms of the local currency in the current financial year, but has fallen 31% in terms of USD. Businesses in the country have suffered due to huge exchange losses, and the GDP of the country has fallen from USD 207 billion to USD 100 billion within three months after devaluation, as one-time adjustment.

There are some silver linings. The devaluation has opened up the possibility of export. Also, not having to wait for foreign currency for procuring raw materials and essential spares will improve productivity. The recent tariff war may create new opportunities with lower tariffs for Africa, thus fueling demand for apparel and consequently fabric from Ethiopia.

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, Board of Directors, and also shareholders' approval was also obtained by passing a resolution through postal ballot dated 10th May 2025. 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 financial year 2024-25 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 <https://a.storyblok.com/f/209886/x/a6ceff01e/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, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.

The annual listing fees for the year 2024-25 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 behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. 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 behavior, 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 <https://a.storyblok.com/f/209886/x/56e0c1521e/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 2025 may be accessed on the Company's website at www.kanoriachem.com

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 2025 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 2025, 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., Practicing Company Secretaries (UIN: P1996WB042300), to conduct Secretarial Audit of the Company for the financial year 2024-25. The Secretarial Audit Report for the financial year 2024-25 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 31st March, 2025 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., Practicing 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 31st March, 2025.

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 remains steadfast in its commitment to sustainable development and to provide a safe, healthy, and environmentally responsible workplace. Our integrated Environment, Health, Safety and Sustainability (EHSS) strategy is centered on continuous improvement through advanced technologies, pollution control, conservation of natural resources, and waste minimization and recycling. Safety continues to be a core organizational value, and our unwavering goal of achieving zero injuries reflects our deep commitment to protect the well-being of our employees.

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 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 are periodically reviewed by a centralized EHS team, and proactive measures such as Hazard and Operability Study (HAZOP), Hazard Identification and Risk Analysis (HIRA), and Quantitative Risk Assessment (QRA) are routinely conducted to identify and address potential hazards. The implementation of methodologies like 5S and Kaizen has further enhanced workplace safety and encouraged employee participation in identifying improvements related to waste management, process safety, and environmental performance. Regular safety observations are shared across locations, and compliance monitoring is an integral part of our operational governance.

The Company reaffirms its strong commitment to sustainable development through the pursuit of well-defined, ambitious goals supported by a robust Environment, Health, Safety, and Sustainability (EHSS) framework. This commitment is exemplified by the strategic adoption of renewable energy solutions, including wind and solar power, across all manufacturing facilities, as well as the integration of the "reduce, reuse, and recycle" philosophy into core operations. Notable advancements include the commissioning of a Phenol Recovery Plant at the Ankleshwar unit and the deployment of Ion-Exchange technology at both Ankleshwar and Vizag for efficient waste stream management in the Hexamine production process. In addition to this, the company is also introducing Electro Oxidation process to reduce Ammonical Nitrogen from Hexamine Effluent. To further mitigate environmental impact, the Company is actively transitioning from coal to biomass as a renewable fuel source for steam generation at the Ankleshwar site. In addition, energy conservation measures such as the implementation of the Smart PO system at Ankleshwar, a hydro turbine at Naidupeta, and the introduction of the IRIS platform for intelligent energy monitoring have delivered measurable efficiency gains. The Company also continues to invest in robust environmental monitoring infrastructure and advanced safety training programs focused on emergency preparedness, process safety management, and behavioral safety. These efforts reflect our holistic and responsible approach to environmental stewardship and workplace safety, aligning our operations with global best practices while supporting national and global sustainability goals.

HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATIONS

The Company's Human Resource initiatives embody the core values of trust, transparency, respect, and dignity, which are deeply integrated into our workplace culture. Through well-defined HR policies, we continue to foster a collaborative, inclusive, and performance-driven environment that encourages teamwork, innovation, and continuous improvement at all levels of the organization by meeting the expectations of Business Acumen.

In pursuit of our strategic objective to evolve as a strengths-based and future-ready organization, we further enhanced our performance management and employee recognition systems. These initiatives aim to identify, reward, and nurture individual talent in alignment with our corporate vision and mission.

As part of our ongoing commitment to Vision-2030, the Company significantly expanded its learning and development programs. A wide range of internal and

external training interventions were conducted, focusing on technical upskilling, leadership development, digital competencies, and behavioral effectiveness. Special emphasis was placed on building capacity to enable employees to adapt to evolving business needs and industry best practices.

The Company also reinforced its focus on employee well-being and engagement through several initiatives promoting mental health awareness, work-life balance, and physical wellness, thereby fostering a motivated and resilient workforce.

Industrial relations remained cordial throughout the year across all operational sites, contributing to a stable and cooperative working environment.

In addition to our internal development efforts, the Company actively pursued its social responsibility goals through various CSR initiatives. These included contributions towards education, healthcare, environmental sustainability, and community development programs. The Company remained committed to making a positive and measurable impact in the communities in which it operates, in line with our values and long-term sustainability objectives.

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:

- that in the preparation of the annual financial statements for the year ended 31st March 2025, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- 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 2025 and of the profit of the Company for the year ended on that date;
- 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;
- that the annual financial statements have been prepared on a going concern basis;
- 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
- 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. 577,548/- of the Company for the Financial Year ended March 31, 2017 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 23,521 equity shares were transferred to IEPF.

The details are provided at the website of the Company at <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. Pratibha Jaiswal, 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, 2025 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.

For and on behalf of the Board,

R. V. Kanoria

Chairman & Managing Director

DIN: 00003792

Place: New Delhi

Date: 5th August, 2025

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:

- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

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
4.	Smt. Meeta Makhan*	Independent Director	-	-

*The Corporate Social Responsibility Committee comprises of Smt. Madhuvanti Kanoria, Non-Executive Director, Shri R. V. Kanoria, Managing Director and Smt. Meeta Makhan, Independent Director. Smt. Madhuvanti Kanoria is the Chairperson of the Committee.

*Smt. Meeta Makhan was inducted in the Committee with effect from 4th September, 2024 consequent to cessation of second term of Independent Directorship of Shri H K Khaitan and consequently also his Committee membership.

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. 65.88 million
 (b) Two percent of average net profit of the company as per section 135(5): Rs. 1.32 million
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: 0.01 million
 (d) Amount required to be set off for the financial year, if any: NIL
 (e) Total CSR obligation for the financial year {(b-c)-d}: Rs. 1.31 million (Rs. 1.40 million approved by CSR Committee)
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Rs. 1.40 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. 1.40 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
1.40	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	1.32 million
ii	Total amount spent for the Financial Year	1.40 million
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	0.08 million
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	0.01 million
v.	Amount available for set off in succeeding Financial Years [(iii) + (iv)]	0.09 million

*Includes excess amount of Rs. 0.09 million spent in financial year 2024-25 and available for set off in financial year 2025-26.

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	2023-24	Not applicable						
2	2022-23	Not applicable						
3	2021-22	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.

For and on behalf of the Board,

Place: New Delhi
Date: 5th August, 2025

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 FINANCIAL YEAR ENDED MARCH 31, 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kanoria Chemicals and Industries Limited** (hereinafter called the “**Company**”) for the financial year ended March 31, 2025 (“**period under review**”). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/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, as listed in **Annexure – II**, and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of 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 to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books and Papers maintained by the Company for the period under review according to the provisions of:

1. The Companies Act, 2013 (“the Act”) and the rules made thereunder including any re-enactment thereof;
2. The Securities Contracts (Regulation) Act, 1956 (“SCRA”) 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, as may be applicable;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”):
 - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR/Listing Regulations**”);
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“**SAST Regulations**”);
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (“**PIT Regulation**”);
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (not applicable during the period under review);
 - e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

We further report that, with regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has generally complied with the following laws applicable specifically to the Company:

- 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 Standard 1 and 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 with and forms an integral part of this report.

We report that during the period under review, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards, etc. mentioned above subject to the observations as below.

Recommendations as a matter of best practice:

In the course of our audit, we have made certain recommendations in order to improve the corporate governance practices therein, separately addressed to the Board of Directors, for its necessary consideration and implementation by the Company. The said recommendations form part of this Report.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc., except for the following matters on which we lay our emphasis ("Emphasis of Matters")

- a. Certain financial facilities granted by the Company to the subsidiaries of the Company at subsidized interest rates, have remained outstanding for over several years. We strongly recommend the Audit Committee to scrutinize the said loans since the source of funding of such loans has a specific timeline for repayment and therefore, the same should be consistent with the overall interest of the Company.

Apart from the above, in respect of related party transactions, the procedure of the management to give affirmation to the Audit Committee regarding the arm's length basis of the related party transactions needs to be strengthened to give the requisite comfort to the Audit Committee that transactions particularly those relating to loans and borrowings are being done on an arm's length basis.

It is to be noted that the observations and qualifications, if any, made by the statutory auditors of the Company or any other professional, have not been reproduced herein for the sake of repetition.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes took place in the composition of the Board of Directors during the period under review except the following –

Cessation of Mr. Amitav Kothari (DIN: 01097705), Mr. A Vellayan (DIN: 00148891), and Mr. Hemant Kumar Khaitan (DIN: 00220049) as Independent Directors of the Company owing to completion of two consecutive terms of 5 years i.e., from 2014-19 and 2019-24.

Appointment of Mr. Sumanta Chaudhuri (DIN: 01998420) and Mrs. Meeta Makhani (DIN: 07135150) as Independent Directors of the Company w.e.f. 4th September, 2024, regularized by shareholders in AGM held on 16th September, 2024, and appointment of Mr. Hemant Kumar Khaitan (DIN: 00220049) as Non-Executive Director w.e.f. 4th September, 2024.

Adequate notices were given to all directors to schedule the Board Meetings and Committee meetings, agenda and detailed notes on 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.

All decisions of the board were taken with the requisite majority and recorded as part of the minutes.

We further report that subject to above, the Company has complied with the conditions of Corporate Governance as stipulated in the Act and LODR Regulations.

We further report that there are adequate systems and processes commensurate with the size and operations of the Company 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 incurred any specific event/ action that can have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., except the following –

i. Sale of Solar Power Division of the Company

During the period under review, the Company by way of circular resolution passed by the Board of Directors on 3rd May, 2024 sold the solar power division of the company situated at Rajasthan. The same was taken note of in the board meeting held on 28th May, 2024.

ANNEXURE TO THE DIRECTORS' REPORT

ii. Commencement of production of new plant set up at Ankleshwar

During the Period under Review, the commercial production of the Formaldehyde plant at Ankleshwar, Gujarat with 345 MTPD capacity has been commenced by the Company with effect from 6th September, 2024, and was duly intimated to the stock exchange.

iii. Resignation and Appointment of CS

During the period under review, Ms. Neha Saraf resigned from the office of the Company Secretary of the Company w.e.f. 15th December, 2024. The same was noted by the Board in its meeting dated 13th November, 2024.

Ms. Pratibha Jaiswal was appointed by the Board, on the recommendations of the Nomination and Remuneration Committee as the Company Secretary of the Company w.e.f 16th December, 2024.

iv. Disposal of stake in Kanoria Africa Textiles Plc. ('KATP')

During the period under review, the Company has resolved to sell 86,84,325 equity shares of KATP, constituting 13.79% holding to Hyperlabs Pte. Ltd. Singapore. Post the sale of shares, KATP will cease to be a wholly owned subsidiary of the Company and will continue to be a subsidiary of the Company by virtue of 86.21% holding.

Place: Kolkata
Date: July 18th, 2025

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

Barsha Dikshit
Partner
Membership No.: A48152
CP No.: 18060
UDIN: A048152G000811673
Peer Review Certificate No.: 4123/2023

ANNEXURE TO THE DIRECTORS' REPORT

Annexure I

ANNEXURE TO SECRETARIAL AUDIT REPORT

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 up 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.
5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as well as 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 regulation 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. Our responsibility is to express opinion on the compliance with the applicable laws and maintenance of records based on audit. The audit was conducted in accordance with applicable Standards. The Standards require that we comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records. However, 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 has 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. Corporate Matters
 - 1.1 Minutes books of the following were provided (either in draft mode or signed):
 - 1.1.1 Board Meeting;
 - 1.1.2 Audit Committee;
 - 1.1.3 Nomination and Remuneration Committee;
 - 1.1.4 Stakeholders Relationship Committee;
 - 1.1.5 Corporate Social Responsibility Committee;
 - 1.1.6 Risk Management Committee;
 - 1.1.7 General Meeting;
 - 1.2 Agenda papers for Board and Committee Meetings along with Notices;
 - 1.3 Annual Report 2023-24;
 - 1.4 Disclosures under Act and Rules made thereunder;
 - 1.5 Forms and returns filed with the ROC and other regulatory authorities, as applicable;
 - 1.6 Documents under SEBI (Prohibition of Insider Trading) Regulations, 2015 on sample basis;
 - 1.7 Compliance Certificates from MD, CFO, CS or any other Departmental Head in respect of regulatory requirements;
 - 1.8 Financial statements for the nine months ended December 31, 2024.

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 2024-25

- Installation of Smart Power Optimizer system in Penta plant to save 310 KWH power per day.
- Installation of IRIS System in Utility to save 130 KWH power per day.
- We have reduced grid power costs by utilizing 65–70% renewable energy (wind and hybrid) through third party PPAs and plan to further lower expenses by transitioning to a group captive model.
- Installation of VFD in Penta Recovery & Phenol Recovery section.
- Reduction of Grid power cost at Vizag & Naidupeta for duty charges from Rs 1.00 to Rs. 0.06.
- Installation of Hydro Turbine to reduce 480 KWH power consumption per day in cooling tower at Naidupeta.
- Installation of VFD in FD Circulation pumps at Naidupeta.

(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. 7.24 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): NIL

(iv) The expenditure incurred on Research and Development:

(Rs. in million)

Revenue Expenditure	2.47
---------------------	------

(C) Foreign Exchange Earnings and Outgo

(Rs. in million)

Foreign Exchange earned in terms of actual inflows during the year	251.90
Foreign Exchange outgo in terms of actual outflows during the year	2154.88

For and on behalf of the Board,

R. V. Kanoria

Chairman & Managing Director

DIN: 00003792

Place: New Delhi

Date: 5th August, 2025

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 2024-25	Percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2024-25
1.	Shri Rajya Vardhan Kanoria	Chairman & Managing Director	74.17	5,359.31
2.	Shri Saumya Vardhan Kanoria	Wholetime Director	45.94	10.25
3.	Smt. Madhuvanti Kanoria	Non-Executive Non- Independent Director	0.49	(19.23)
4.	Shri Hemant Kumar Khaitan	Non-Executive Non- Independent Director	0.72	(27.38)
5.	Shri Sidharth Kumar Birla	Non-Executive Independent Director	0.65	(29.49)
6.	Smt. Suhana Murshed	Non-Executive Independent Director	0.59	-
7.	Smt. Meeta Makhan	Non-Executive Independent Director	0.44	-
8.	Shri Sumanta Chaudhuri	Non-Executive Independent Director	0.16	-
9.	Shri Nirmal Kumar Nolkha	Group Chief Financial Officer	-	14.83
10.	Smt. Pratibha Jaiswal	Company Secretary	-	-

Notes:

- Directors other than the Executive Directors received only the sitting fees during the financial years 2023-24 and 2024-25.
 - Shri Amitav Kothari (DIN: 01097705), Shri A Vellayan (DIN: 00148891) and Shri Hemant Kumar Khaitan (DIN:00220049) have ceased to be Director of the Company on end of their second term as Independent Director on 4th September, 2024.
 - Shri Hemant Kumar Khaitan appointed as Non-Executive Non-Independent Director with effect from 4th September, 2024.
 - Shri Sumanta Chaudhuri and Smt. Meeta Makhan appointed as an Independent Director with effect from 4th September, 2024 and as such the comparison of their remuneration over the previous financial year is not given.
 - Smt. Pratibha Jaiswal was appointed as a Company Secretary of the Company with effect from 16th December, 2024 due to resignation of Smt. Neha Saraf with effect from the close of business hours on 15th December 2024, the erstwhile Company Secretary of the Company and as such the Comparison of her remuneration over the previous financial year is not given.
- The number of permanent employees as on 31st March, 2025 was 389.
 - During the year 2024-25, the median remuneration of the employees as compared to previous year increased by 11.90%.
 - During the year, the average remuneration of the employees including Key Managerial Personnel increased by 24.48% as compared to the previous year.
 - During the year, the average remuneration of the employees excluding Key Managerial Personnel increased by 12.49% and the average remuneration of Key Managerial Personnel increased by 111.54% 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.	Rajya Vardhan Kanoria (70 years)	Chairman & Managing Director	31,496,502	B.Sc., MBA (Hons.) (51 years)	10.01.1983	-
2.	Saumya Vardhan Kanoria (43 years)	Whole-Time Director	19,507,746	MS in Computer Science (21 years)	21.08.2006	Morgan Stanley, USA
3.	Nirmal Kumar Nolkha (58 years)	Group Chief Financial Officer	11,266,276	B. Com (Hons) ACA (37 years)	02.04.1991	G. R. Magnets Limited

(ii) Other Employees

Sl. No.	Name and Age	Designation	Remuneration (Rs.)	Qualification and Experience	Date of Joining	Last Employment
4.	Sanjay Kumar Ojha (53 years)	Chief of Manufacturing & Project-Chemical Business	5,667,418	B.E. (Mechanical) (28 Years)	11.06.2007	United Phosphorus Limited
5.	Anil S. Sodah (50 Years)	Asst. Vice President (Sales & Marketing)	5,295,802	Diploma in Chemical Engineering (30 Years)	01.07.2019	Deepak Fertilizers and Petrochemicals Corporation Limited
6.	Anil D. Mishra (53 Years)	Asst. Vice President (EHS & Compliances)	5,041,453	M.Tech-Env. Engineering, PGDIS (Post Diploma Industrial Safety) (29 years)	20.12.2004	Khemani Distilleries Ltd., Daman
7.	Ravish Kumar Mundra (49 Years)	AVP (Accounts & Sales) - Chemical Business	4,390,935	B. Com, ACA (24 Years)	05.02.2007	Gopalakrishnan Aiyer & Co., Vapi
8.	Gurumurthy Shrinivas Yeleswarapu (56 Years)	Sr. General Manager - Marketing	3,809,094	MBA Marketing, B.Sc (MPC) (33 Years)	11.12.2006	Indian Rayon, Veraval (A unit of Aditya Birla Nuvo)
9.	Rakesh Kumar Sharma (65 Years)	Principal Private Secretary	3,531,020	Graduate (45 Years)	14.02.2000	Cement Corporation of India
10.	Ashok Kumar Agarwal (60 Years)	Vice President (Accounts)	3,510,840	B Com. (39 Years)	01.08.1986	None

The figures are on mercantile basis.

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, Whole-Time Director is son of Shri R. V. Kanoria and Smt. Madhuvanti Kanoria.

For and on behalf of the Board,

R. V. Kanoria

Chairman & Managing Director

DIN: 00003792

Place: New Delhi

Date: 5th August, 2025

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 of 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 2025 consisted of 8 (eight) Directors including 6 (six) Non-executive Directors out of which 4 (four) 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 51 years of industrial, managerial, administrative and commercial experience. Shri S. V. Kanoria, an MS in Computer Science having 21 years of work experience, is the Whole-Time Director of the Company.

During the year under review, the Board met 4 (four) times; on 28th May, 2024, 5th August, 2024, 13th November, 2024 and 13th February, 2025.

The composition of the Board, Directorship, Chairmanship and/or Membership of Committees held as on 31st March 2025 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 Rajya Vardhan Kanoria (DIN: 00003792)	Swaraj Engines Limited	Non -executive Independent Director	7	3	2
	J K Paper Limited	Non-executive Non-Independent Director			
Shri Saumya Vardhan Kanoria (DIN: 02097441)	None	NA	3	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	2	-	-
Shri Hemant Kumar Khaitan (DIN:00220049)	Steel Products Limited	Executive Director	4	3	1
	Assam Carbon Products Limited	Non-executive Independent Director			
Non-Executive Independent Directors					
Shri Sidharth Kumar Birla (DIN: 00004213)	Xpro India Limited	Executive Director	5	3	-
	Nestle India Limited	Non-executive Independent Director			
Smt. Suhana Murshed (DIN: 08572394)	Xpro India Limited	Non-executive Independent Director	2	4	1
Shri Sumanta Chaudhuri (DIN: 01998420)	None	NA	1	-	-
Smt. Meeta Makhan (DIN:07135150)	Timex Group India Limited	Non-executive Independent Director	3	4	3

a) Shri Amitav Kothari (DIN: 01097705), Shri A Vellayan (DIN: 00148891) and Shri Hemant Kumar Khaitan (DIN: 00220049) have ceased to be Director of the Company on end of their second term as Independent Director on 4th September, 2024.

b) Shri Sumanta Chaudhuri and Smt. Meeta Makhan appointed as an Independent Director with effect from 4th September, 2024.

c) Shri Hemant Kumar Khaitan appointed as Non-Executive Non-Independent Director with effect from 4th September, 2024.

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, Whole-Time 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 three 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 2024-25 is as under:

Name of Director	Category of Directors	Board Meetings held during the year	Attendance at	
			Board Meetings	Last AGM
Shri Rajya Vardhan Kanoria (DIN: 00003792)	Promoter – Chairman & Managing Director	4	4	Yes
Smt. Madhuvanti Kanoria (DIN: 00142146)	Non-Executive Non-Independent Director	4	4	Yes
Shri Saumya Vardhan Kanoria (DIN: 02097441)	Executive Director – Whole-Time Director	4	4	Yes
Shri Hemant Kumar Khaitan (DIN:00220049)	Non-Executive Non-Independent Director	4	4	Yes
Shri Sidharth Kumar Birla (DIN: 00004213)	Non-Executive – Independent Director	4	3	Yes
Smt. Suhana Murshed (DIN: 08572394)	Non-Executive – Independent Director	4	4	Yes
Shri Sumanta Chaudhuri (DIN: 01998420)	Non-Executive – Independent Director	2	1	Yes
Smt. Meeta Makhan (DIN:07135150)	Non-Executive – Independent Director	2	2	Yes
Shri Amitav Kothari (DIN: 01097705)	Non-Executive – Independent Director	2	2	-
Shri A Vellayan (DIN : 00148891)	Non-Executive – Independent Director	2	2	-

Equity Shares of the Company held by Directors

The Directors, who hold the Equity Shares of the Company as on 31st March 2025 are Shri R. V. Kanoria (461,481), Smt. Madhuvanti Kanoria (498,321), Shri S. V. Kanoria (556,440), Shri H. K. Khaitan (100), Shri Sidharth Kumar Birla (25), Smt. Suhana Murshed (5), Shri Sumanta Chaudhuri (1) and Smt. Meeta Makhan (100).

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 uploaded on the website of the Company and can be accessed at <https://a.storyblok.com/f/209886/x/8933adf8b1/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	Shri R. V. Kanoria, Smt. M. V. Kanoria, Shri S. V. Kanoria, Shri H. K. Khaitan, Shri S. K. Birla, Smt. Suhana Murshed, Shri Sumanta Chaudhuri and Smt. Meeta Makhan
2	Industry knowledge and experience	Shri R. V. Kanoria, Shri S. V. Kanoria, Shri Sumanta Chaudhuri and Smt. Meeta Makhan
3	Financial expertise	Shri R. V. Kanoria, Shri H. K. Khaitan, Shri S. K. Birla, Smt. Meeta Makhan
4	Risk Management	Shri R. V. Kanoria, Shri H. K. Khaitan, and Smt. Meeta Makhan
5	Understanding of relevant laws, rules, regulations and policies	Shri R. V. Kanoria, Shri H. K. Khaitan, Shri S. K. Birla, Smt. Suhana Murshed, and Smt. Meeta Makhan
6	Corporate Governance	Shri R. V. Kanoria, Smt. M. V. Kanoria, Shri S. K. Birla, Smt. Suhana Murshed, and Smt. Meeta Makhan
7	Global experience/International exposure	Shri R. V. Kanoria, Smt. M. V. Kanoria, Shri H. K. Khaitan, Smt. Suhana Murshed, Shri Sumanta Chaudhuri and Smt. Meeta Makhan

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 13th February 2025, wherein the Independent Directors carried out the performance evaluation of the Chairman & Managing Director, Executive and Non-Executive Directors 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 2024-25.

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 Meeting 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 practical 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 of 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 within 15 days from the conclusion of the Meeting 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, but not limited to 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 Smt. Meeta Makhan, Smt. Suhana Murshed and Shri Sidharth Kumar Birla, Independent Directors, and Shri R. V. Kanoria, Chairman & Managing Director of the Company. Smt. Meeta Makhan is the Chairperson of the Committee. The Members of the Committee have requisite knowledge of finance, accounts and Company law.

Smt. Meeta Makhan and Smt. Suhana Murshed were inducted in the Committee with effect from 4th September, 2024 consequent to cessation of second term of Independent Directorship of Shri Amitav Kothari and Shri H. K. Khaitan and consequently their Committee membership.

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 Auditors' 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 2024-25, the Committee met 4 (four) times; on 28th May, 2024, 5th August, 2024, 13th November, 2024 and 13th February, 2025. Attendance of Members at Audit Committee Meetings held during the year 2024-25:

Name of Director	No. of Meetings attended
Smt. Meeta Makhan *	2
Shri R V Kanoria	4
Smt. Suhana Murshed *	2
Shri Sidharth Kumar Birla	3
Shri Amitav Kothari *	2
Shri H K Khaitan *	2

*Smt. Meeta Makhan and Smt. Suhana Murshed were inducted in the Committee with effect from 4th September, 2024 consequent to cessation of second term of Independent Directorship of Shri Amitav Kothari and Shri H. K. Khaitan and consequently also their Committee membership.

The Chairman of the Audit Committee was present at the last Annual General Meeting held on 16th September 2024. The Board has accepted all recommendations made by the Audit Committee.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises of Smt. Suhana Murshed, Independent Director, Shri H. K. Khaitan, Non-Executive Non Independent Director and Shri S. V. Kanoria, Whole-Time Director of the Company. Smt. Suhana Murshed is the Chairperson of the Committee.

Smt. Suhana Murshed was inducted in the Committee with effect from 4th September, 2024 consequent to cessation of second term of Independent Directorship of Shri Amitav Kothari and consequently his Committee membership.

The Committee's constitution, terms of reference and role are in compliance with the Companies Act, 2013 and the Listing Regulations, 2015, which comprises of 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.

Smt. Neha Saraf resigned as the Company Secretary and Compliance Officer of the Company with effect from the close of business hours on 15th December 2024.

Upon recommendation on the Nomination and Remuneration Committee, the Board of Directors in its meeting held on 13th November 2024, approved the appointment of Smt. Pratibha Jaiswal (ACS 33981) as Company Secretary and Compliance Officer of the Company with effect from 16th December, 2024.

The Chairman of the Stakeholders Relationship Committee was present at the last Annual General Meeting held on 16th September 2024.

During the year, the Company received one complaint, which was redressed to the satisfaction of shareholders, Further, no complaint was pending for resolution at the end of the financial year 2024-25.

During the financial year 2024-25, one Meeting of the Committee was held on 13th February 2025, wherein all the members were present.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company comprises of Shri Sidharth Kumar Birla, Shri Sumanta Chowdhury and Smt. Meeta Makhan, Independent Directors, and Shri R. V. Kanoria, Chairman & Managing Director of the Company. Shri Sidharth Kumar Birla is the Chairman of the Committee.

Shri Sumanta Chowdhury and Smt. Meeta Makhan were inducted in the Committee with effect from 4th September, 2024 consequent to cessation of second term of Independent Directorship of Shri H. K. Khaitan and Shri A. Vellayan, and consequently their Committee membership.

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 for 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 16th September 2024.

During the financial year 2024-25, the Committee met 4 (four) times; on 28th May, 2024, 5th August, 2024, 13th November, 2024 and 13th February, 2025.

Attendance of Members at Nomination and Remuneration Committee Meetings held during the year 2024-25:

Name of Director	No. of Meetings attended
Shri R V Kanoria	4
Shri Sidharth Kumar Birla	3
Shri Sumanta Chowdhury *	1
Smt. Meeta Makhan *	2
Shri H K Khaitan *	2
Shri A Vellayan *	2

*Shri Sumanta Chowdhury and Smt. Meeta Makhan were inducted in the Committee with effect from 4th September, 2024 consequent to cessation of second term of Independent Directorship of Shri H. K. Khaitan and Shri A. Vellayan, and consequently also their Committee membership.

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 Whole-Time 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 Whole-Time 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 Whole-Time 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/7c1e71ac49/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 <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, 2025

(Figures in Rupees)

Name of Director	Salary	Perquisites and other benefits	Commission	Sitting Fees*	Total
Shri R.V. Kanoria	17,868,774	13,627,728	-	-	31,496,502
Shri H.K. Khaitan	-	-	-	305,000	305,000
Shri Sidharth Kumar Birla	-	-	-	275,000	275,000
Smt. Madhuvanti Kanoria	-	-	-	210,000	210,000
Smt. Suhana Murshed	-	-	-	250,000	250,000
Smt. Meeta Makhan*	-	-	-	185,000	185,000
Shri Sumanta Chowdhury*	-	-	-	70,000	70,000
Shri Amitav Kothari*	-	-	-	140,000	140,000
Shri A. Vellayan*	-	-	-	140,000	140,000
Shri S. V. Kanoria	10,054,800	9,452,946	-	-	19,507,746

* Includes Sitting Fee paid for Board and Committee Meetings.

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 — Whole-Time Director [#]	01.04.2025	31.03.2028	3 Years

[#] Re-appointed for three years with effect from 1st April, 2025, by approval of shareholders through Postal ballot dated 10th May 2025.

For termination of agreement, the company and wholtime Director are required to give a notice of three months or three month's 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 Smt. Meeta Makhan, Independent Director. Smt. Madhuvanti Kanoria is the Chairperson of the Committee.

Smt. Meeta Makhan was inducted in the Committee with effect from 4th September, 2024 consequent to cessation of second term of Independent Directorship of Shri H K Khaitan and consequently also his Committee membership.

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 comprises of 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 2024-25, the Committee met two times; on 28th May, 2024 and 5th August, 2024, wherein all the Members were present.

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

Committee of Directors

The Committee of Directors comprises of Shri R.V. Kanoria, Managing Director, Shri S. V. Kanoria, Whole-Time Director, Shri H.K. Khaitan, Non-Executive Director, Smt. Meeta Makhan and Smt. Suhana Murshed, Independent Directors. Shri R. V. Kanoria is the Chairman of the Committee.

Smt. Suhana Murshed and Smt. Meeta Makhan were inducted in the Committee with effect from 4th September, 2024 consequent to cessation of second term of Independent Directorship of Shri Amitav Kothari and consequently also his Committee membership.

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 2024-25, one Meeting of the Committee was held on 28th January, 2025, 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, Whole-Time Director, Shri Sidharth Kumar Birla, Independent Director and Shri N.K. Nolkha - Group Chief Financial Officer. Shri R. V. Kanoria is the Chairman of the Committee.

Shri Sidharth Kumar Birla was inducted in the Committee with effect from 4th September, 2024 consequent to cessation of second term of Independent Directorship of Shri H K Khaitan and consequently his Committee membership.

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 8th August, 2024 and 25th March, 2025.

Attendance of Members at Risk Management Committee Meetings held during the year 2024-25:

Name of Director	No. of Meetings attended
Shri R V Kanoria	2
Shri S V Kanoria	2
Shri Sidharth Kumar Birla *	1
Shri H.K. Khaitan *	1
Shri N K Nolkha, Group Chief Financial Officer	2

Shri Sidharth Kumar Birla was inducted in the Committee with effect from 4th September, 2024 consequent to cessation of second term of Independent Directorship of Shri H K Khaitan and consequently his Committee membership.

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 31.03.2025	As on 31.03.2024
Nirmal Kumar Nolkha	✓	✓
Sanjay Kumar Ojha	✓	✓
Anil Sushil Sodah	✓	✓
Anil D. Mishra	✓	✓
Ravish Kumar Mundra	✓	✓
Rajesh Madhogaria	✓	✓
Pratibha Jaiswal	✓	x

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 2024-25 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
2023-24	16 th September 2024	11.00 A. M.	At the registered Office (deemed venue) of the Company – Through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”)	2
2022-23	8 th September 2023	11.00 A. M.		-
2021-22	1 st September 2022	11.00 A. M.		-

No extraordinary general meeting of the members was held during the financial year 2025.

POSTAL BALLOT

During the year, a Special Resolution was passed by the shareholders on 10th May, 2025 by way of Postal Ballot through electronic voting for re-appointment of Shri Saumya Vardhan Kanoria (DIN: 02097441) as Whole-Time Director of the Company for a period of three years w.e.f. 1st April, 2025, pursuant to Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The postal ballot process was undertaken in accordance with the provisions of Section 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.

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 4th April, 2025, being the cut-off date for e-voting.

The remote e-voting period commenced from 9.00 A.M. (IST) on Thursday, the 10th April, 2025 and ended at 5.00 P.M. (IST) on Friday, the 9th May, 2025.

Based on the Scrutinizer's Report, results of the Postal Ballot through e-voting was declared on 10th May, 2025 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 S. V. Kanoria as the Whole-Time Director of the Company for a period of 3 years w.e.f. 1st April 2025

Valid votes cast in favour of the resolution — 99.9987%

Valid votes cast against the resolution — 0.0013%

The same is also updated on the website of the Company at:

<https://a.storyblok.com/f/209886/x/a8edfd7b93/voting-result-postal-ballot-10th-may-2025.pdf>

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:

<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:

<https://a.storyblok.com/f/209886/x/a6ceffe01e/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.

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: <https://a.storyblok.com/f/209886/x/56e0c1521e/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, regulations and circulars 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 uploaded on the 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 at <https://www.kanoriachem.com/investors/newspaper-publications/>

The Company issues official press releases to the print media from time to time and meetings scheduled with institutional investors / analysts and detailed presentations made to them, if any are also displayed on the Company's website at www.kanoriachem.com

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 2024-25, 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 as annexure.

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 23,521 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. 577,548/- for the year 2016-17 to the Investor Education and Protection Fund on 22nd October, 2024, pursuant to Section 125 of the Companies Act, 2013 read with allied rules.

UNCLAIMED SHARES

Unclaimed Suspense Account:

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	7	5,715
Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year	-	-
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	-	-
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	1	1,836
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.	6	3,879

Suspense Escrow Demat Account:

Pursuant to SEBI Circular dated January 25, 2022, as amended, to enhance the Shareholders experience in dealing with securities markets, the listed companies shall issue the securities in dematerialized form only, while processing any investor service requests viz., issue of duplicate share certificates, endorsement, transmission, transposition. After processing the investor service request, a Letter of Confirmation would be issued to the Shareholders in lieu of a physical securities certificate. Letter of Confirmation shall be valid for a period of 120 days, within which the Shareholder shall make a request to the Depository Participant for dematerializing the said shares. In case the Shareholders fail to submit the dematerialisation request within 120 days, the Company shall then credit those shares to the Suspense Escrow Demat Account held by the Company. The Shareholders can reclaim these shares from the Company's Suspense Escrow Demat Account on submission of documentation prescribed by SEBI. The details of shares transferred to/released from Suspense Escrow Demat Account during Financial year are as follows:

Particulars	No. of Shareholders	No. of Shares
Aggregate number of shareholders and outstanding shares lying in the Suspense Escrow Demat Account at the beginning of the year	1	900
Number of shareholders who approached the Company for transfer of shares from the Suspense Escrow Demat Account during the year	-	-
Number of shareholders to whom shares were transferred from the Suspense Escrow Demat Account during the year	-	-
Aggregate number of shareholders and outstanding shares lying in the Suspense Escrow Demat 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.	1	900

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. 2.54 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 Company 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	284.95

Loans given by the Subsidiary /Step down Subsidiaries

Entity providing the loan	Entity receiving loan	Amount
APAG Holding, AG*	APAG Elektronik AG, Switzerland	767.41

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

Details of material subsidiaries of the Company; 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

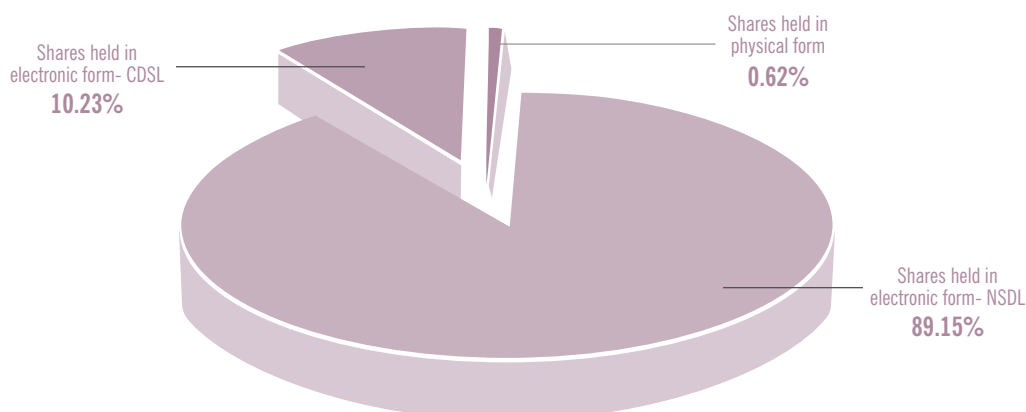
The Statutory Auditors' Certificate that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, 2015 is annexed to this Report.

GENERAL SHAREHOLDERS' INFORMATION

1.	Annual General Meeting • Date and time • Venue/Mode	Friday, the 26 th September, 2025 at 11.00 AM Through Video Conferencing ("VC") / Other Audio Visual Mode ("OAVM")
2.	Financial Year <u>Financial Calendar 2025-26</u> (tentative and subject to change) • Financial Results for the: quarter ending 30 th June 2025 quarter ending 30 th September 2025 quarter ending 31 st December 2025 year ending 31 st March 2026 • Annual General Meeting 2025-26	1 st April to 31 st March)) Within 45 days of end of respective quarter) By 30 th May 2026 By September 2026
3.	Date of Book Closure	Not Applicable (Cut-off date on Friday, 19 th September 2025)
4.	Dividend Payment Date	Not Applicable for the Financial Year 2024-25

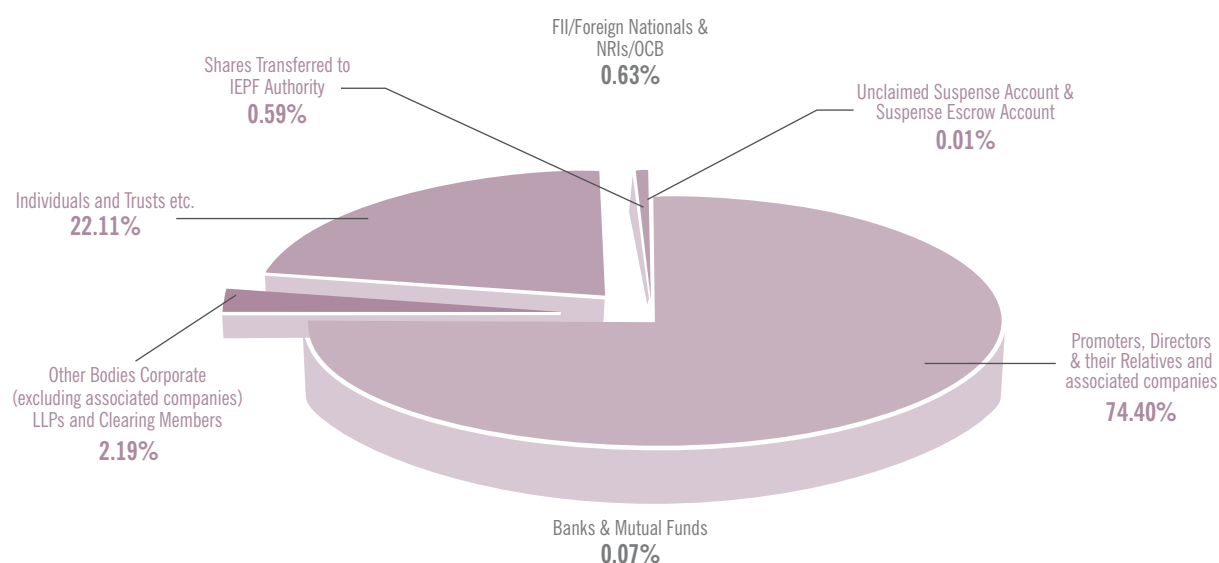
5.	Listing on Stock Exchanges	<p>National Stock Exchange of India Ltd. 'Exchange Plaza' Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051 www.nseindia.com</p> <p>BSE Limited P. J. Towers, Dalal Street, Fort Mumbai - 400 001 www.bseindia.com</p> <p>Note: Listing fee for the year 2024-25 has been paid to the above Stock Exchanges.</p>
6.	Registrar and Transfer Agent	<p>C B Management Services (P) Limited P-22, Bondel Road, Kolkata -700 019 Phone: (033) 40116700, Fax: (033) 40116739 Email: rta@cbmsl.com</p>
7.	(a) Share Transfer System	<p>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.</p>
	(b) Dematerialisation of Shares and liquidity	<p>Depositories:</p> <p>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.</p> <p>Details of shares held in dematerialised form with depositories as on 31st March 2025:</p> <p>NSDL: 38,952,698 Shares (89.15%) CDSL: 4,470,967 Shares (10.23%) Shares held in Physical form: 269,668 Shares (0.62%)</p> <p>Under the Depository System, International Securities Identification Number (ISIN) allotted to the Company's Equity Shares is INE 138C01024.</p> <p>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.</p> <p>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.</p>

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 2024-25 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 31 st March 2025				
	Nominal value of Shareholding	Number of Shareholders	% of Shareholders	Number of Equity Shares	% of Share Capital
	Up to Rs. 5,000	17,652	93.21	2,806,910	6.42
	Rs. 5,001 - Rs. 10,000	638	3.37	940,803	2.15
	Rs. 10,001 - Rs. 20,000	350	1.85	987,548	2.26
	Rs. 20,001 - Rs. 30,000	126	0.67	627,365	1.44
	Rs. 30,001 - Rs. 40,000	46	0.24	327,342	0.75
	Rs. 40,001 - Rs. 50,000	32	0.17	301,687	0.69
	Rs. 50,001 - Rs. 1,00,000	44	0.23	620,763	1.42
	Rs. 1,00,001 and above	50	0.26	37,080,915	84.87
	Total	18,938	100.00	43,693,333	100.00
11.	Equity Shareholding Pattern as on 31 st March 2025				
	Category	No. of Shares held		% of Shareholding	
	Promoters, Directors & their Relatives and associated companies	32,506,880		74.40	
	FII/Foreign Nationals & NRIs/OCB	276,386		0.63	
	Banks & Mutual Funds	31,425		0.07	
	Other Bodies Corporate (excluding associated companies), LLPs and Clearing Members	956,034		2.19	
	Individuals and Trusts etc.	9,658,929		22.11	
	Shares transferred to IEPF Authority	258,900		0.59	
	Unclaimed Suspense Account	3,879		0.01	
	Suspense Escrow Account	900		-	
	Total	43,693,333		100.00	

Graphic Presentation of the Equity Shareholding Pattern as on 31.03.2025



12.	Top Ten Shareholders of the Company as on 31 st March 2025		
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	1,193,653	2.73
v.	Saumya Vardhan Kanoria	556,440	1.27
vi.	Madhuvanti Kanoria	498,321	1.14
vii.	Himanjana Ramesh Patel	487,707	1.12
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	34,538,240	79.05

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	<p>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.</p> <p>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, 2025 are disclosed in Note No. 41 to the Standalone Financial Statements.</p>
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.	<p>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.</p> <p>Care Ratings Limited has reviewed and rated the Long-term Bank facilities of the Company as CARE BB + Stable, Rating Action : Downgraded from CARE BBB and removed from Rating watch with Negative Implications, Stable outlook assigned from the existing rating of CARE BBB (RWN) and rating for the short-term bank facilities as CARE A4 +, Rating Action: Downgraded from CARE A3 + and removed from Rating watch with Negative Implications from the existing rating of CARE A3 + (RWN) on account of recent developments including operational and financial performance of the Company for FY24 (Audited) and 9MFY25 (Unaudited) and revocation of order received from Gujarat Pollution Control Board (GPCB) regarding closure of Industrial Plant at Ankleshwar, Dist. Bharuch and resumption of operations of the plant from 10th October, 2024</p>

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	<p>I. Alcochem Ankleshwar Division Ankleshwar Chemical Works, 3407, GIDC Industrial Estate, P.O. Ankleshwar - 393 002, Dist. Bharuch (Gujarat).</p> <p>II. Alcochem Vizag Division Plot No.32, Jawaharlal Nehru Pharma City, Parwada, Vishakhapatnam - 531 021, Andhra Pradesh</p> <p>III. Alcochem Naidupet Division Plot No. 50 and 51, Block - C, Industrial Park, Menakur Village, Naidupet - 524 421, Dist. Nellore, Andhra Pradesh</p> <p>IV. Solar Power Plant Vill. Bawdi Barsinga, P.O. Bap, Tehsil: Phalodi. Dist. Jodhpur (Rajasthan) (The Solar Power Plant of the Company sold on Slump Sale and Going Concern basis on 30th June 2024).</p>
19.	<p>Address for Correspondence: For Investors' matters</p> <p>For queries relating to Financial Statements</p>	<p><i>Company Secretary:</i> Kanoria Chemicals & Industries Limited 'KCI Plaza', 23C, Ashutosh Chowdhury Avenue, Kolkata-700 019 Phone : (033) 4031 3200 Email: pratibha.jaiswal@kanoriachem.com Website: http://www.kanoriachem.com</p> <p><i>Group Chief Financial Officer:</i> 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</p>

For and on behalf of the Board,

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

Place: New Delhi
Date: 5th August, 2025

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 2025.

Place: New Delhi
Date: 5th August, 2025

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:

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company	Date of Cessation in Company
1	SAUMYA VARDHAN KANORIA	02097441	01/04/2016	-
2	SIDHARTH KUMAR BIRLA	00004213	18/05/2018	-
3	RAJYA VARDHAN KANORIA	00003792	09/11/1982	-
4	HEMANT KUMAR KHAITAN	00220049	09/01/1982	-
5	MADHUVANTI KANORIA	00142146	11/02/2015	-
6	SUHANA MURSHED	08572394	29/06/2021	-
7	SUMANTA CHAUDHURI	01998420	04/09/2024	-
8	MEETA MAKHAN	07135150	04/09/2024	-

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: F005935G000774758

Place: Kolkata
Dated: July 14th, 2025

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

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

1. We, Singhi & Co., Chartered Accountants, the statutory auditors of **Kanoria Chemicals & Industries Limited** ("the Company"), have examined the compliance of conditions of corporate governance by the company, for the year ended March 31, 2025 as stipulated in regulation 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended from time to time, pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility

2. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management, including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

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 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 report or certificate for special purpose issued by ICAI which requires that we comply with 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 of the Listing Regulations during the year ended March 31, 2025.
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.

Restriction on Use

9. This certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulation 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 for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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

(Rahul Bothra)
Partner
Membership No.: 067330
UDIN: 25067330BMLGQV3759

Place: Kolkata
Date: 5th August, 2025

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, 2025, 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, 2025 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, 2025. 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.	Description of Key Audit Matter	How we addressed the matter in our audit
1	Investment in Subsidiaries The Company carries its investments in two foreign subsidiaries at cost, adjusted for impairment if any. At 31 st March 2025, total investments amounted to Rs. 1488.94 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: <ul style="list-style-type: none"> • 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 the standalone financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance

INDEPENDENT AUDITOR'S REPORT

conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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.

INDEPENDENT AUDITOR'S REPORT

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.

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; except for the matters stated in the paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;
 - 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, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of section 164(2) of the Act.
 - f) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;
 - g) With respect to the adequacy of the internal financial controls 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".
 - h) 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
 - i) 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, 2025 on its financial position in its Standalone financial statements - Refer Note No. 33 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. 1.80 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).

INDEPENDENT AUDITOR'S REPORT

- 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) (i) (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, except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software and we did not come across any instances of audit trail feature being tampered with during the course of our audit:
 - a. The feature of recording audit trail (edit log) is not enabled at the application layer of the software for payroll management.
 - b. The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting softwares used for maintaining the books of account.

Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention except for the exceptions mentioned above.

Place: New Delhi
Dated: May 21, 2025

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

(Rahul Bothra)
Partner
Membership No. 067330
UDIN: 25067330BMLGPE9170

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 Katoria Chemicals & Industries Limited of even date)

- i. In respect of the Company's fixed assets:
- (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.
 - 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.
 - 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.
 - The Company has not revalued any of its property, plant and equipment (including Right of Use assets) or intangible asset during the year.
 - 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, 2025 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 Rupees 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, 2024	Inventories and Debtors less Creditors	872.65	968.86	(96.21)	Primarily inclusion of certain liabilities not forming part of creditors for goods and debtors more than 90 days.
	September, 2024	Inventories and Debtors less Creditors	770.03	890.61	(120.58)	
	December, 2024	Inventories and Debtors less Creditors	897.81	999.87	(102.06)	
	March, 2025	Inventories and Debtors less Creditors	858.54	966.39	(107.85)	

- 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.
- During the year, the Company has granted loans to its wholly owned foreign subsidiary (Katoria Africa Textiles Private Limited Company) and employees amounting to Rs. 284.95 million and Rs. 7.93 millions and the total outstanding balance of loan given to the said subsidiary and employees as on

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

31.03.2025 aggregating to Rs. 1108.61 million and Rs 6.58 millions. 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)	20.46	30.04.2023	Not paid till the date of Audit Report	702	Delay on Interest payment for the FY 2022-23 on the loan given to the said subsidiary
APAG Holding AG (subsidiary)	22.06	30.04.2024	Not paid till the date of Audit Report	336	Delay on Interest payment for the FY 2023-24 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 interest of Rs. 42.52 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 except the following loans:

Name of the Parties	Aggregate amount of loans granted during the year (Rs. in million)	Aggregate overdue amount settled by renewal / extension (Rs. in million)	Percentage of the aggregate to the loans granted during the year
APAG Holding AG	-	316.09	-

- 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.
 - 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

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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, 2025 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, 2025 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	45.74	AY 2016-17 & AY 18-19	Commissioner Income Tax (Appeals), Kolkata
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 given 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 given 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.
- (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.

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

- 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 given 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 obtaining 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 as disclosed in note no 44 to the standalone financial statements, 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.

Place: New Delhi
Dated: May 21, 2025

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

(Rahul Bothra)
Partner
Membership No. 067330
UDIN: 25067330BMLGPE9170

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 (g) 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, 2025 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 Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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, 2025, 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.

Place: New Delhi
Dated: May 21, 2025

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

(Rahul Bothra)
Partner
Membership No. 067330
UDIN: 25067330BMLGPE9170

STANDALONE BALANCE SHEET

As at 31st March 2025

(Rs. in million)

	Notes	As at 31 st March 2025	As at 31 st March 2024
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	5A	4,226.97	3,793.89
(b) Capital Work-in-Progress	5C	136.87	321.07
(c) Other Intangible Assets	5B	0.86	2.02
(d) Financial Assets			
(i) Investments	6A	1,607.91	2,068.06
(ii) Loans	7	1,633.87	1,051.40
(iii) Others	8	23.32	22.97
(e) Other Non-Current Assets	9	9.32	45.31
Total Non-Current Assets		7,639.12	7,304.72
Current Assets			
(a) Inventories	10	590.83	561.80
(b) Financial Assets			
(i) Investments	6B	20.63	28.85
(ii) Trade Receivables	11	1,059.68	778.78
(iii) Cash and Cash Equivalents	12A	17.14	0.27
(iv) Bank Balances other than (iii) above	12B	4.84	4.76
(v) Loans	7	92.62	310.87
(vi) Others	8	192.12	151.86
(c) Current Tax Assets (Net)	13	108.79	137.29
(d) Other Current Assets	9	69.98	92.74
(e) Assets held for Sale	14	64.37	69.61
Total Current Assets		2,221.00	2,136.83
Total Assets		9,860.12	9,441.55
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	15	218.49	218.49
Other Equity	16	5,793.71	6,174.23
Total Equity		6,012.20	6,392.72
LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	787.65	581.64
(ii) Other Financial Liabilities	18	0.23	0.21
(b) Provisions	19	100.51	87.12
(e) Deferred Tax Liabilities (Net)	20A	583.40	500.92
Total Non-Current Liabilities		1,471.79	1,169.89
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	1,182.05	847.34
(ii) Trade Payables	21		
Total outstanding dues of Micro and Small Enterprises		30.20	18.21
Total outstanding dues of Others		764.97	789.45
(iii) Other Financial Liabilities	18	235.94	141.22
(b) Other Current Liabilities	22	120.77	43.14
(e) Provisions	19	42.20	39.58
Total Current Liabilities		2,376.13	1,878.94
Total Liabilities		3,847.92	3,048.83
Total Equity and Liabilities		9,860.12	9,441.55
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

RAHUL BOTHRA
Partner
Membership No. 067330
Place: New Delhi
Date: 21st May, 2025

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

PRATIBHA JAISWAL
Company Secretary
(ACS: 33981)

STANDALONE STATEMENT OF PROFIT & LOSS

For the year ended 31st March 2025

(Rs. in million)

	Notes	For the year ended 31 st March 2025	For the year ended 31 st March 2024
INCOME			
Revenue from Operations	23	6,783.04	5,768.61
Other Income	24	142.50	252.40
Total Income		6,925.54	6,021.01
EXPENSES			
Cost of Materials Consumed		4,672.87	4,450.52
Purchase of Stock-in-Trade		189.30	11.33
Change in Inventories of Finished Goods and Work-in-Progress	25	68.04	(80.94)
Employee Benefit Expenses	26	406.01	372.12
Other Expenses	27	1,053.54	951.05
Total Expenses		6,389.76	5,704.08
Profit before Finance Costs, Depreciation & Amortisation, Exceptional Items and Tax		535.78	316.93
Finance Costs	28	160.70	115.36
Depreciation and Amortisation Expenses	5A, 5B	199.68	182.73
Profit before Exceptional Items and Tax		175.40	18.84
Exceptional Items	29	449.86	-
Profit/(Loss) from continuing operations before Tax		(274.46)	18.84
Tax Expenses:			
Current Tax		43.59	-
Deferred Tax		70.73	(23.89)
Tax for earlier years		-	18.18
Profit/(Loss) from continuing operations after Tax		(388.78)	24.55
Profit/(Loss) from discontinued operations before Tax	30	(2.75)	(51.71)
Gain related to sale of discontinued operations		27.82	-
Tax expenses of discontinued operations		16.09	(16.02)
Profit/(Loss) from discontinued operations after Tax		8.98	(35.69)
Profit/(Loss) for the Year		(379.80)	(11.14)
OTHER COMPREHENSIVE INCOME (OCI)			
A (i) Items that will not be reclassified to Profit or Loss	31A	(1.96)	(1.35)
(ii) Income Tax relating to items that will not be reclassified to Profit or Loss		1.24	0.69
B Items that will be reclassified to Profit or Loss	31B	-	-
Other Comprehensive Income for the Year (net of tax)		(0.72)	(0.66)
Total Comprehensive Income for the Year		(380.52)	(11.80)
Earning per Share - Basic & Diluted:	32		
for Continuing Operations (INR)		(8.90)	0.56
for Discontinued Operations (INR)		0.21	(0.81)
for Continuing & Discontinued Operations (INR)		(8.69)	(0.25)
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

RAHUL BOTHRA
Partner
Membership No. 067330

Place: New Delhi
Date: 21st May, 2025

For and on behalf of the Board

SIDHARTH K. BIRLA
Director
(DIN:00004213)

N. K. NOLKHA
Group Chief Financial Officer

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

PRATIBHA JAISWAL
Company Secretary
(ACS: 33981)

STANDALONE STATEMENT OF CHANGES IN EQUITY

For the period ended 31st March 2025

(Rs. in million)

(A) Equity Share Capital						
	Year ended 31 st March 2025			Year ended 31 st March 2024		
	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	Defined Benefit Plan	Equity Instruments	
As at 31st March 2023	34.17	161.50	72.69	5,911.11	-	6.56	6,186.03
Profit/(Loss) for the Year				(11.14)			(11.14)
Other Comprehensive Income					(1.47)	0.81	(0.66)
Transfer to Retained Earnings				(1.47)	1.47		-
Total Comprehensive Income				5,898.50	-	7.37	
As at 31st March 2024	34.17	161.50	72.69	5,898.50	-	7.37	6,174.23
Profit/(Loss) for the Year				(379.80)			(379.80)
Other Comprehensive Income					(2.25)	1.53	(0.72)
Transfer to Retained Earnings				(2.25)	2.25		-
Total Comprehensive Income				5,516.45	-	8.90	
As at 31st March 2025	34.17	161.50	72.69	5,516.45	-	8.90	5,793.71

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

RAHUL BOTHRA
Partner
Membership No. 067330

Place: New Delhi
Date: 21st May, 2025

For and on behalf of the Board

SIDHARTH K. BIRLA
Director
(DIN:00004213)

N. K. NOLKHA
Group Chief Financial Officer

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

PRATIBHA JAISWAL
Company Secretary
(ACS: 33981)

STANDALONE STATEMENT OF CASH FLOW

For the year ended 31st March 2025

(Rs. in million)

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax		
From continuing operations	(274.46)	18.84
Adjustments for:		
Unrealized Debts and Claims Written Off	0.85	0.02
Allowance for Bad & Doubtful Debts & Advances (Net)	2.25	0.04
Finance Costs	160.70	115.36
Depreciation & Amortisation Expenses	199.68	182.73
(Profit)/Loss on Sale of Property, Plant and Equipment (Net)	(37.30)	(22.52)
(Gain)/Loss on Sale of Investments as FVTPL (Net)	2.93	(132.49)
Interest Income	(65.84)	(50.61)
Fair Value (Gain)/Loss on Financial Instruments as FVTPL (Net)	10.70	(16.56)
Dividend Income	(2.42)	(0.20)
Guarantee Fee Income	(14.23)	(15.75)
Liabilities Written Back	0.11	(0.62)
Exceptional Items	449.86	-
Operating Profit before Working Capital Changes	432.83	78.24
Adjustments for:		
(Increase)/ Decrease in Trade and Other Receivables (Net)	(217.37)	29.99
(Increase)/ Decrease in Inventories	(29.03)	(35.41)
Increase/ (Decrease) in Trade and other Payables (Net)	(4.48)	195.81
Cash Generated from Operations	181.95	268.63
Income Tax (Paid)/Refund (net)	(11.98)	(11.82)
Net Cash generated from/(used in) Operating Activities	169.97	256.81
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment and Intangible Assets (including CWIP & Capital Advances)	(536.11)	(375.26)
Proceeds from Sale of Property, Plant & Equipment	199.38	61.92
Loans & Advances to Subsidiaries (Net)	(319.03)	(245.83)
Purchase of Investments	(0.02)	(20.00)
Sale of Investments	6.41	252.09
Advance against sale of Investment	87.13	-
Bank Deposits (held as security)	(0.68)	(0.88)
Interest Received	2.29	2.39
Guarantee Fee Received	(2.34)	(0.31)
Dividend Received	2.42	0.20
Gain from sale of discontinued operations	27.82	-
Net Cash generated from/(used in) Investing Activities	(532.73)	(325.68)

STANDALONE STATEMENT OF CASH FLOW

For the year ended 31st March 2025

(Rs. in million)

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-term Borrowings	533.80	105.90
Repayment of Long-term Borrowings	(174.57)	(163.24)
Proceeds/(Payments) of Short-term Borrowings (Net)	181.09	241.95
Finance Costs Paid	(160.67)	(115.89)
Net Cash generated from/(used in) Financing Activities	379.65	68.72
Net Increase/(Decrease) in Cash and Cash Equivalents from continuing operations	16.89	(0.15)
Cash and Cash Equivalents at the beginning of the year from continuing operations	0.25	0.40
Cash and Cash Equivalents at the end of the year from continuing operations	17.14	0.25
D. CASH FLOW FROM DISCONTINUED OPERATIONS		
Cash and Cash Equivalents at the beginning of the year	0.02	0.03
Net Cash generated from/(used in) Operating Activities	(56.02)	(0.18)
Net Cash generated from/(used in) Investing Activities	55.60	-
Net Cash generated from/(used in) Financing Activities	0.40	0.17
Net increase in cash and cash equivalent from discontinued operations	0.00	0.02
Cash and Cash Equivalents at the end of the year from discontinued operation	-	0.02
Cash and cash equivalents at the end of the year (Note 12A)	17.14	0.27

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. Reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities.

	For the year ended 31 st March 2025			For the year ended 31 st March 2024		
	Long term Borrowings	Short term Borrowings	Interest Accrued	Long term Borrowings	Short term Borrowings	Interest Accrued
Opening Balance	759.89	669.09	8.76	817.23	426.97	9.29
Cash flow Changes	359.23	181.49	(160.67)	(57.34)	242.12	(115.89)
Non Cash flow changes						
Finance Costs	-	-	160.70	-	-	115.36
Closing Balance	1,119.12	850.58	8.79	759.89	669.09	8.76

As per our report of even date annexed

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

RAHUL BOTHRA
Partner
Membership No. 067330

Place: New Delhi
Date: 21st May, 2025

For and on behalf of the Board

SIDHARTH K. BIRLA
Director
(DIN:00004213)

N. K. NOLKHA
Group Chief Financial Officer

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

PRATIBHA JAISWAL
Company Secretary
(ACS: 33981)

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

In accordance with the notification issued by the Ministry of Corporate Affairs, the financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Standalone Financial Statements.

These financial statements have been approved for issue by the Board of Directors on 21st May 2025.

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 and presented on the going concern basis using 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.

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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.

Capital work-in-progress is stated at cost less impairment allowance (if any) 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.

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

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

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.

D. 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

E. 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 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 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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.

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).

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.

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.

F. 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

G. 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.

H. 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.

I. 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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.

J. 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 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.

K. 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.

L. 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.

M. 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

N. 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.

O. 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.

P. Segment Reporting

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

Q. 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.

R. Recent applicable Accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable from April 1, 2024. The Company has assessed that there is no significant impact in its financial statements.

On May 9, 2025, MCA notifies the amendments to Ind AS 21 - Effects of Changes in Foreign Exchange Rates. These amendments aim to provide clearer guidance on assessing currency exchangeability and estimating exchange rates when currencies are not readily exchangeable. The amendments are effective for annual periods beginning on or after April 1, 2025. The Company is currently assessing the probable impact of these amendments on its financial statements.

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.

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(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) Estimates and Assumptions

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.

(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 01.04.24	Additions	Disposal/ Reclassification	As at 31.03.25	As at 01.04.24	For the Year	Disposal/ Reclassification	As at 31.03.25	As at 31.03.25
Land & Site Development :									
Freehold	746.87	-	19.10	727.77	-	-	-	-	727.77
Leasehold (ROU)*	730.21	-	63.76	666.45	93.48	9.56	8.24	94.80	571.65
Buildings*	938.51	44.54	29.39	953.66	247.21	27.94	6.35	268.80	684.86
Plant & Equipment	3,039.68	702.75	346.04	3,396.39	1,357.82	156.83	324.12	1,190.53	2,205.86
Furniture & Fixtures*	45.90	0.79	1.10	45.59	26.98	2.83	0.95	28.86	16.73
Vehicles & Fork Lifts	26.04	5.15	2.73	28.46	15.60	2.74	2.58	15.76	12.70
Office Equipment	34.09	2.16	1.26	34.99	26.32	2.43	1.16	27.59	7.40
Total	5,561.30	755.39	463.38	5,853.31	1,767.41	202.33	343.40	1,626.34	4,226.97

* Leasehold Land of Rs. 54.88 million, Buildings of Rs. 9.42 million and Furniture & Fixtures of Rs. 0.07 million are classified as assets held for sale.

Depreciation for the year includes Rs. 4.16 million for discontinued operations.

	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 (ROU)*	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.

Depreciation for the year includes Rs. 31.88 million for discontinued operations.

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 01.04.24	Additions	Disposal/ Reclassification	As at 31.03.25	As at 01.04.24	For the Year	Disposal/ Reclassification	As at 31.03.25	As at 31.03.25
Computer Software	21.90	0.35	-	22.25	19.88	1.51	-	21.39	0.86

	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

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

	Amount in Capital Work-in-Progress					Amount in Capital Work-in-Progress				As at 31.03.24
	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at 31.03.25	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in Progress	136.87	-	-	-	136.87	321.07	-	-	-	321.07

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)

	31 st March 2025			31 st March 2024		
	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	€ 1,021.30	286	494.64	CHF 1000	286	494.64
Less: Provision for Impairment (Refer note 29)			(247.32)			-
Kanoria Africa Textiles Plc, Ethiopia	ETB 10	62,997,916	1,619.97	ETB 10	62,997,916	1,619.97
Less: Provision for Impairment (Refer note 29)			(378.35)			(175.80)
Total Investments at Cost			1,488.94			1,938.81
Investments at Fair Value through OCI						
Equity Shares, Fully Paid (Quoted)						
IFCI Ltd.	10	200	0.01	10	200	0.01
HDFC Bank Ltd.	1	5,000	9.14	1	5,000	7.24
Bank of India	10	9,000	0.96	10	9,000	1.23
NMDC Ltd.	1	24,000	1.65	1	8,000	1.61
NMDC Steel Ltd.	10	8,000	0.27	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
Ballygunge Services Private Ltd.	10	400	0.02	-	-	-
Total Investments at Fair Value through OCI			20.41			18.89
Investments at Fair Value through PL						
Alternative Investment Funds (Unquoted)						
360 One Seed Venture Fund	5	2,408,992	38.55	5	2,411,700	41.28
Chiratae Trust	100,000	177	34.67	100,000	180	42.19
India Housing Fund - Series 4	10	1,999,882	25.34	10	1,999,900	26.89
Total Investments at Fair Value through PL			98.56			110.36
Total Non Current Investments (A)			1,607.91			2,068.06
(B) Current Investments:						
Investments at Fair Value through PL						
Alternative Investment Fund (Unquoted)						
360 One Real Estate Fund (Domestic) Sr.3	7	5,365,000	20.63	7	5,365,000	26.60
ICICI Prudential Real Estate AIF-II	-	-	-	100	32,617	2.25
Total Investments at Fair Value through PL			20.63			28.85
Total Current Investments (B)			20.63			28.85

	Non-Current	Current		Non-Current	Current
Aggregate book value of quoted investments	12.03	-		10.53	-
Aggregate market value of quoted investments	12.03	-		10.53	-
Aggregate value of unquoted investments	1,595.88	20.63		2,057.53	28.85
Aggregate amount of impairment in value of investments	625.67	-		175.80	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

7: Loans

(Rs. in million)

	31 st March 2025		31 st March 2024	
	Non-Current	Current	Non-Current	Current
(Unsecured, considered good) Loans to Related Parties				
Loans to Subsidiaries ¹ (Refer note 38)	1,631.05	88.86	1,050.96	308.61
Other Loans				
Loans to Employees	2.82	3.76	0.44	2.26
Total Loans	1,633.87	92.62	1,051.40	310.87

¹ Outstanding Loans to Kanoria Africa Textiles PLC, a subsidiary is Rs. 1,108.61 million as at 31st March, 2025 (previous year Rs. 762.63 million) which includes interest converted into Funded Interest Loan of Rs. 41.31 million during the year (previous year Rs. 26.21 million) and is receivable after September, 2028.

8: Other Financial Assets

(Unsecured considered good) Security Deposits	23.32	-	22.97	-
Export Benefits and Claims Receivable	-	14.36	-	12.91
Interest and Dividend Receivable	-	0.67	-	0.58
Interest and Fees receivable from Related Parties	-	177.09	-	138.37
Total Other Financial Assets	23.32	192.12	22.97	151.86

9: Other Assets

(a) Capital Advances	6.43	-	42.17	-
(b) Advances other than Capital Advances				
(i) Advances to Related Party	-	36.96	-	36.86
(ii) Other Advances	2.89	17.99	3.14	14.27
(iii) Balance with Government Authorities	-	15.03	-	41.61
Total Other Assets	9.32	69.98	45.31	92.74

10: Inventories

	31 st March 2025	31 st March 2024
Raw Materials	183.51	194.99
Raw Materials in Transit	133.34	16.68
Work-in-Progress	11.61	12.45
Finished Goods	154.40	228.97
Finished Goods in Transit	16.84	9.46
Stores & Spare Parts	90.90	99.25
Stock-in-trade	0.23	-
Total Inventories	590.83	561.80

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

11: Trade Receivables

(Rs. in million)

	31 st March 2025	31 st March 2024
Secured, considered good	2.37	2.37
Unsecured, considered good	1,057.31	776.41
With Significant Increase in Credit risk	3.20	0.95
Less: Allowance for Bad & Doubtful Debts	3.20	0.95
Total Trade Receivables	1,059.68	778.78

Trade Receivables Ageing Schedule

	Outstanding for following periods from due date of payment						31 st March 2025
	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	814.63	223.08	12.98	6.46	0.16	-	1,057.31
ii. Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	2.13	0.12	0.09	2.34
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	-	-	-	2.13	0.12	0.95	3.20
Unbilled Trade Receivable	-	-	-	-	-	-	-
Total	814.63	223.08	12.98	6.46	0.16	2.37	1,059.68

	Outstanding for following periods from due date of payment						31 st 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

12A: Cash and Cash Equivalent

	31 st March 2025	31 st March 2024
Balance with Banks	16.77	0.01
Cash on hand	0.37	0.26
Total Cash and Cash equivalent	17.14	0.27

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

12B: Other Bank Balances

(Rs. in million)

	31 st March 2025	31 st March 2024
Earmarked balances with Banks (Unpaid Dividend Accounts)	2.94	3.53
Bank Deposits (held as security)	1.90	1.23
Total Other Bank Balances	4.84	4.76

13: Current Tax Assets

	31 st March 2025	31 st March 2024
Income Tax Payments (net of provision)	108.79	137.29
Total Current Tax Assets	108.79	137.29

14: Assets held for Sale

	31 st March 2025	31 st March 2024
Leasehold Land	54.88	60.19
Buildings	9.42	9.42
Furniture & Fixtures	0.07	-
Total Assets held for Sale	64.37	69.61

Note: The Board of Directors has approved the sale of Land and Building vide its resolution dated 3rd May, 2024 and dated 14th February, 2024 for Current & Preceding year respectively. The sale of Assets appearing in the previous financial year has already been completed and those appearing the current financial year are expected to complete in short term.

15: Equity Share Capital

	31 st March 2025		31 st March 2024	
	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

	31 st March 2025		31 st March 2024	
	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	31 st March 2025		31 st March 2024	
	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 31 st March 2025		Shares held by promoters as at 31 st March 2024		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	-

Notes : There is no change in promoter's shareholding during the year 2023-24

(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)

	31 st March 2025		31 st March 2024	
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	5,898.50		5,911.11	
Add : Profit/(Loss) for the Year	(379.80)		(11.14)	
Add : Actuarial gain/(loss) on Defined Benefit Plan (Net)	(2.25)	5,516.45	(1.47)	5,898.50
Other Comprehensive Income (OCI)				
As per last Balance Sheet	7.37		6.56	
Add : Movement in OCI (Net) during the year	1.53	8.90	0.81	7.37
Total Other Equity		5,793.71		6,174.23

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

- Capital Reserve: represents the amount received on account of capital receipts, etc. in earlier years.
- Capital Redemption Reserve: was created for redemption of preference shares and on buy-back of equity shares as per statutory requirement.
- Securities Premium: represents premium on issue of shares.
- Retained Earnings: are the accumulated profits earned by the Company and remaining undistributed as on date.
- 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)

	31 st March 2025		31 st March 2024	
	Non-Current	Current	Non-Current	Current
Secured				
Term Loan				
From Banks/Financial Institution ¹	787.65		456.64	
Current Maturities of Long Term Debts		206.47		178.25
Short Term Loan				
From Banks ²		489.09		500.00
Loans Repayable on Demand				
From Banks ²		276.49		89.09
Unsecured				
Term Loan				
From Related party	-		125.00	
Current Maturities of Long Term Debts		125.00		-
Short Term Loan				
From Related party		85.00		-
From Body Corporates	-			80.00
Total Borrowings	787.65	1,182.05	581.64	847.34

¹ Term Loan of Rs. 294.66 million (Previous year 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, Rs. 639.70 million (Previous year Rs. 105.90 million) 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 plant & Machinery created out of bank finance on first charge basis in Ankleshwar unit, Rs. 10.80 million (Previous year Rs. 21.58 million) Secured by second charge on Current Assets of the Company and movable fixed assets of Ankleshwar Division and Rs. 48.96 million (previous year Rs. 79.89 million) Secured by second charge on entire fixed assets of the Naidupet and Vizag Division.

² Loan of Rs. 645.58 million (previous year 489.09 million) Secured by hypothecation of Current Assets of the Company and movable fixed assets on pari passu basis of Ankleshwar Division and Rs. 120 million secured by subservient charge over the movable & immovable fixed assets of the company (previous year 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).

Repayment Schedule:

Term Loan	Interest Rate	Repayment Terms	Outstanding as at	
			31 st March 2025	31 st March 2024
EXIM Bank Rupee Loan	Bank's MCLR (1Y) plus 160 bps	28 quarterly structured instalments	153.65	206.65
EXIM Bank Foreign Currency Loan	USD SOFR (3M) plus 370 bps	24 quarterly structured instalments	141.01	220.87
EXIM Bank GECL Loan	Bank's LTMLR	48 Monthly instalments beginning	48.96	79.89
Yes Bank GECL Loan	Bank's MCLR (1Y) plus 45 bps	48 Monthly instalments beginning	6.53	13.66
HDFC Bank GECL Loan	Bank's MCLR (3M) plus 55 bps	48 Monthly instalments beginning	4.27	7.92
State Bank of India Rupee Loan	Bank's MCLR (6M) plus 20 bps	24 quarterly instalments beginning from March, 2026	639.70	105.90
Vardhan Limited (ICD)	8.25%	December, 2025	125.00	125.00
Total Term Loan			1,119.12	759.89

18: Other Financial Liabilities

	31 st March 2025		31 st March 2024	
	Non-Current	Current	Non-Current	Current
Interest Accrued	-	8.79	-	8.76
Security Deposits	0.23	9.13	0.21	9.15
Liabilities for Capital Goods	-	44.26	-	44.57
Unpaid Dividend ¹	-	2.93	-	3.53
Employee related Liabilities	-	21.74	-	19.88
Advance against Sale of Investments	-	87.13	-	-
Other Liabilities	-	61.96	-	55.33
Total Other Financial Liabilities	0.23	235.94	0.21	141.22

¹ These figures does not include any amount, due and outstanding, to be credited to Investor Education and Protection Fund except Rs. 1.80 million (previous year Rs. 1.68 million) which is held in abeyance due to legal case pending.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

19: Provisions

(Rs. in million)

	31 st March 2025		31 st March 2024	
	Non-Current	Current	Non-Current	Current
Provision for Employee Benefits	100.51	42.20	87.12	39.58
Total Provisions	100.51	42.20	87.12	39.58

20: Income Tax

A. Deferred Tax

The major components of deferred tax liabilities/assets arising on account of timing differences are as follows:

	1 st April 2024	Profit & Loss (Net)	OCI (Net)	31 st March 2025
Deferred Tax Liability				
Timing Difference on PPE & Intangible Assets	760.61	88.66	-	849.27
Fair Value of Investments	8.83	(4.74)	(0.03)	4.06
Others	1.87	(0.24)	-	1.63
Deferred Tax Assets				
MAT Credit Entitlement	182.90	9.57	-	192.47
Unabsorbed Business Losses/Depreciation/Capital Loss	42.88	(16.46)	-	26.42
Expenses relating to Retirement Benefits	44.27	4.39	1.21	49.87
Others	0.34	2.46	-	2.80
Net Deferred Tax Liabilities	500.92	83.72	(1.24)	583.40

	1 st April 2023	Profit & Loss (Net)	OCI (Net)	31 st 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	-	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

B: Reconciliation of tax expense on the accounting profit for the year:

	31 st March 2025	31 st March 2024
Profit/(Loss) before income tax	(249.39)	(32.87)
At India's statutory Income tax rate of 34.944%	(87.15)	(11.49)
Tax effect on non-deductible expenses	157.20	0.90
Net Increase in deferred tax on account of withdrawal of indexation benefit on LTCG	38.80	-
MAT expired	25.56	-
Others	(4.00)	(29.32)
Tax for earlier years	-	18.18
Tax expenses reported in the statement of profit and loss	130.41	(21.73)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

21: Trade Payable

(Rs. in million)

	31 st March 2025	31 st March 2024
Trade Payable		
Total outstanding dues of Micro and Small Enterprises	30.20	18.21
Total outstanding dues of creditors other than Micro and Small Enterprises	764.97	789.45
Total Trade Payables	795.17	807.66
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each financial year.		
i. Principal	30.20	18.21
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	31 st March 2025
i. MSME	30.20	-	-	-	-	30.20
ii. Others	740.44	19.37	4.88	0.08	0.20	764.97
iii. Disputed dues-MSME	-	-	-	-	-	-
iv. Disputed dues-Others	-	-	-	-	-	-
Total	770.64	19.37	4.88	0.08	0.20	795.17

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	31 st 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

22: Other Current Liabilities

	31 st March 2025	31 st March 2024
Statutory Liabilities	17.54	24.04
Advance against Assets held for Sale	92.47	-
Customers' Credit Balances	10.76	19.10
Total Other Current Liabilities	120.77	43.14

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

23: Revenue from Operations

(Rs. in million)

	31 st March 2025	31 st March 2024
(a) Sale of Products		
Manufactured products		
Alco Chemicals	6,447.21	5,679.44
	6,447.21	5,679.44
Traded products		
Methanol	208.19	11.61
Total Sale	6,655.40	5,691.05
(b) Other Operating Revenues		
Miscellaneous Sales	122.94	74.47
Export benefits	4.70	3.09
Total Other Operating Revenues	127.64	77.56
Total Revenue from Operations	6,783.04	5,768.61

24: Other Income

	31 st March 2025	31 st March 2024
Interest Income		
From Related Parties	62.46	47.76
From Others	3.38	2.85
Dividend Income	2.42	0.20
Gain/(Loss) on Sale of Investments (Net)	(2.93)	132.49
Fair value gain/(loss) on Financial Instruments classified as FVTPL (Net)	(10.70)	16.56
Profit/(Loss) on Property, Plant & Equipment (including Intangible Assets under Development) Sold/discarded (Net)	37.30	22.52
Foreign Exchange Rate Fluctuation (Net)	24.63	7.91
Guarantee fee from Related Parties	14.23	15.75
Rent Income	4.65	4.01
Other Non Operating Income	7.06	2.35
Total Other Income	142.50	252.40

25: Change in Inventories of Finished Goods and Work-in-Progress

	31 st March 2025	31 st March 2024
Opening Stock		
Finished Goods	238.44	159.78
Work-In-Progress	12.44	10.16
	250.88	169.94
Closing Stock		
Finished Goods	171.23	238.44
Work-In-Progress	11.61	12.44
	182.84	250.88
Change in Inventories		
Finished Goods	67.21	(78.66)
Work-In-Progress	0.83	(2.28)
Total Change in Inventories of Finished Goods and Work-in-Progress	68.04	(80.94)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

26: Employee Benefits Expense

(Rs. in million)

	31 st March 2025	31 st March 2024
Salaries, Wages, Bonus & Gratuity etc. (including payments to Contractors)	367.30	333.74
Contribution to Provident Fund	17.00	17.22
Staff Welfare Expenses	21.71	21.16
Total Employee Benefits Expense	406.01	372.12

27: Other Expenses

	31 st March 2025	31 st March 2024
Consumption of Stores & Spare parts etc.	149.39	143.43
Other Manufacturing Expenses	41.50	32.48
Power & Fuel	414.70	404.37
Repairs to -		
Plant & Machinery	67.84	53.62
Buildings	18.30	3.81
Others	7.66	8.82
Water Charges & Cess	53.57	55.06
Rates & Taxes	14.50	8.35
Rent	6.94	6.86
Insurance	19.74	19.04
Legal and Professional Charges	48.58	48.42
Miscellaneous Expenses	69.11	54.51
CSR Expenditure (Refer Note No. 34)	1.40	2.57
Fair value loss on Forward Contract	4.82	0.03
Commission & Brokerage to Others	13.76	15.46
Freight, Handling & Other Charges	102.89	79.20
Director sitting Fees	1.58	1.95
Travelling Expenses	11.38	10.44
Allowance for bad & doubtful Debts & Advances (Net)	2.25	0.04
Unrealized Debts and Claims written off	0.85	0.02
Payment to Auditors	2.78	2.57
Total Other Expenses	1,053.54	951.05

Additional Information regarding Payment to Auditors

	31 st March 2025	31 st March 2024
(a) Statutory Auditors		
Audit Fees	1.15	1.00
For Certificates & Others	1.39	1.39
For Travelling and out of pocket expenses	0.09	0.04
(b) Cost Auditors		
Audit Fees	0.15	0.14
Total payment to Auditors	2.78	2.57

28: Finance Costs

	31 st March 2025	31 st March 2024
Interest Expense	146.74	108.70
Net Gain/Loss on foreign currency transaction and translation (to the extent considered as Finance Cost)	5.20	0.90
Bank/Finance charges	8.76	5.76
Total Finance Cost	160.70	115.36

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

29: Exceptional Items

(Rs. in million)

	31 st March 2025	31 st March 2024
(i) Impairment Loss of Investment in Equity Shares of Kanoria Africa Textile PLC, a subsidiary company.	202.54	-
(ii) Impairment Loss of Investment in Equity Shares of APAG Holding AG, a subsidiary company.	247.32	-
Total Exceptional Items	449.86	-

30: Discontinued Operations

The Solar Power Division of the Company was sold on Slump Sale and Going Concern basis on 30th June, 2024. Consequently, the result of the said division has been disclosed as Discontinued Operations in accordance with Ind AS 105 "Non-Current Assets Held for Sale and Discontinued Operations".

The Assets & Liabilities of Discontinued Operations as at 31st March, 2024 where as under:

ASSETS		
Property, Plant and Equipment		55.60
Non-Current Financial Assets-Others		0.07
Other Non-Current Assets		0.01
Trade Receivables		4.74
Cash and Cash Equivalents		0.02
Other Current Assets		0.60
Total Assets		61.04
LIABILITIES		
Non-Current Provisions		0.18
Current Borrowings		(0.39)
Current Financial Liabilities - Others		3.56
Other Current Liabilities		0.13
Current Provisions		0.08
Total Liabilities		3.56
The Financial Results of Discontinued Operations for the period are as under:		
Revenue from Operations	3.71	16.70
Other Income	2.08	0.19
Total Income	5.79	16.89
Employee Benefit Expenses	0.34	1.27
Other Expenses	4.04	11.24
Total Expenses	4.38	12.51
Profit before Finance Costs, Depreciation & Amortisation, Exceptional Items and Tax	1.41	4.38
Finance Costs	-	0.00
Depreciation and Amortisation Expenses	4.16	31.88
Profit/(Loss) before Exceptional Items and Tax	(2.75)	(27.50)
Exceptional Items ¹	-	24.21
Profit/(Loss) from discontinued operations before Tax	(2.75)	(51.71)
Gain related to sale of discontinued operations	27.82	-
Tax Expenses	16.09	(16.02)
Profit/(Loss) from discontinued operations after Tax	8.98	(35.69)
¹ Exceptional Items		
i) Write down in the value of Solar Power receivables in respect of power supplied to Discom from 1 st April, 2019 to 31 st March, 2023 from Rs. 3.14/kWh to Rs. 2.24/kWh based on the order dated 27 th 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 12 th September, 2023	-	(2.87)
Total Exceptional Items	-	24.21
Refer Statement of Cash Flow for Cash Flow from Discontinued Operations		

Note: Figures for the previous year have been regrouped due to accounting of discontinued operations.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

31: Other Comprehensive Income (OCI)

(Rs. in million)

	31 st March 2025	31 st March 2024
A. Items that will not be reclassified to Profit or Loss		
1. Actuarial Gain/(Loss) on Defined Benefit Plan	(3.46)	(2.27)
Deferred Tax	1.21	0.79
2. Net Gain/(Loss) on Equity instruments designated as FVTOCI	1.50	0.92
Deferred Tax	0.03	(0.10)
Net OCI not to be reclassified to Profit or Loss	(0.72)	(0.66)
B. Items that will be reclassified to Profit or Loss	-	-
Net OCI to be reclassified to Profit or Loss	-	-
Other Comprehensive Income for the year, net of tax	(0.72)	(0.66)

32: Earning per Share (EPS)

	31 st March 2025	31 st March 2024
Details for calculation of Basic and Diluted Earning per Share:		
Weighted average number of Equity Share	43,693,333	43,693,333
Profit/(Loss) from continuing operation after Tax as per Statement of Profit and Loss	(388.78)	24.55
Basic and Diluted Earning per Share for continuing operations (Rs.) (Face Value Rs. 5 each)	(8.90)	0.56
Profit/(Loss) from discontinued operations after Tax as per Statement of Profit and Loss	8.98	(35.69)
Basic and Diluted Earning per Share for discontinued operations (Rs.) (Face Value Rs. 5 each)	0.21	(0.81)
Basic and Diluted Earning per Share for continuing and discontinued operations (Rs.) (Face Value Rs. 5 each)	(8.69)	(0.25)

33: Commitments and Contingencies

	31 st March 2025	31 st March 2024
(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	1.35
Customs & Central Tax Demands	7.65	7.65
Income Tax Demands (paid Rs. 12.63 million)	58.37	103.24
Other Claims being disputed by the Company	-	5.56
(b) Corporate Guarantee given to:		
Export-Import Bank of India for securing loan of Kanoria Africa Textiles PLC, Ethiopia (Outstanding Loan US\$ 13.60 million equivalent to Rs. 1,162.28 million) (Previous year US\$ 15.62 million equivalent to Rs. 1,302.25 million)	1,709.17	1,666.93
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	62.91	174.12
Advances paid	6.44	42.17

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

34: CSR Activities

(Rs. in million)

	31 st March 2025	31 st March 2024
Gross amount required to be spent by the Company during the year	1.32	2.60
Amount of expenditure incurred on :		
Total of previous years shortfall	-	-
(i) Construction/acquisition of any Asset	-	-
(ii) Purposes other than (i) above*	1.40	2.57
Shortfall at the end of the year	-	-
Reason for shortfall	NA	NA
Nature of CSR activities	a) Skill Development for Youth b) Intervention to ensure enrolment of all children in schools and their retention and empowering adolescent children on their rights, in paravada mandal	a) Skill Development for Youth b) Water harvesting & conservation Program c) Digital empowerment for illiterate women d) Eradicating hunger and malnutrition
Details of related party transactions	NIL	NIL

*Rs. 0.03 million surplus of the year 2022-23 set off during the year 2023-24.

35: Details of pre-operative expenses capitalised under Property Plant and Equipment

	31 st March 2025	31 st March 2024
Cost of Materials Consumed	16.42	-
Other Expenses	6.34	1.33
Finance Costs	18.31	6.82
	41.07	8.15
Less:		
Sale of Manufactured products	18.47	-
Miscellaneous Sales	0.41	-
	22.19	8.15

36: The Company is primarily engaged in the business of manufacturing of Chemicals which is considered as one reportable segment and hence, no additional disclosures with respect to segment information have been made under Ind As 108 - Operating Segments.

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	31 st March 2025	31 st March 2024
	Gratuity	Gratuity
1. Change in the Present Value of Obligation		
- Present Value of Obligation as at the beginning	103.78	103.92
- Current Service Cost	6.22	5.52
- Interest Expense or Cost	7.41	7.76
- Actuarial (gains) / losses arising from:		
change in demographic assumptions	-	-
change in financial assumptions	2.41	1.65
experience variance	1.05	0.62
- Benefits paid	(3.89)	(15.69)
- Present Value of Obligation as at the end	116.98	103.78
2. Expenses recognised in the Statement of Profit & Loss		
- Current Service Cost	6.22	5.52
- Interest Expense or Cost	7.41	7.76
Total	13.63	13.28
3. Other Comprehensive Income		
- Actuarial (gains) / losses arising from:		
change in demographic assumptions	-	-
change in financial assumptions	2.41	1.65
experience variance	1.05	0.62
Total	3.46	2.27
4. Actuarial Assumptions		
(a) Financial Assumptions		
Discount rate (per annum)	6.75%	7.15%
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	31 st March 2025	31 st March 2024
Discount rate increase by 1%	(111.33)	(98.65)
Discount rate decrease by 1%	123.35	109.54
Salary Growth rate increase by 1%	123.27	109.49
Salary Growth rate decrease by 1%	(111.30)	(98.60)

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	16.46
2 to 5 years	76.63
6 to 10 years	27.61
More than 10 years	62.68

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 does not have existing deficit of interest shortfall. The amount debited to Statement of Profit and Loss towards Provident Fund contribution during the year was Rs. 17.00 million (previous year Rs. 17.22 million).

38: Details of Loans given, Investments made, Guarantees given and Security provided under Section 186 (4) of the Companies Act, 2013.

(Rs. in million)

Name of the Company	Relation	Nature	Purpose	31 st March 2025	31 st March 2024
APAG Holding AG	Subsidiary	Loans (Interest Bearing)	Capital Expenditure, Working Capital and acquisition	611.29	596.94
Kanoria Africa Textiles Plc	Subsidiary	Loans (Interest Bearing)	Capital Expenditure and Working Capital	1,108.61	762.63
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
Kanoria Africa Textiles Plc ¹	Subsidiary	Corporate Guarantee	Borrowing by Kanoria Africa Textiles Plc from Export- Import Bank of India	1,709.17	1,666.93

¹ Loan Outstanding Rs. 1,162.28 million (Previous year Rs. 1,302.25 million)

Details of Investments refer note 6.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

39: Category-wise classification of Financial Instruments

(Rs. in million)

	Refer Note	Non-Current		Current	
		31 st March 2025	31 st March 2024	31 st March 2025	31 st March 2024
Financial Assets					
Measured at cost					
Investments	6A	1,488.94	1,938.81	-	-
Measured at amortised cost					
Trade Receivables	11	-	-	1,059.68	778.78
Cash and cash equivalents	12A	-	-	17.14	0.27
Other Bank balances	12B	-	-	4.84	4.76
Loans	7	1,633.87	1,051.40	92.62	310.87
Other Financial Assets	8	23.32	22.97	192.12	151.86
Measured at fair value through profit or loss					
Investments	6A&B	98.56	110.36	20.63	28.85
Measured at fair value through other comprehensive income					
Investments	6A	20.41	18.89	-	-
Total Financial Assets		3,265.10	3,142.43	1,387.03	1,275.39
Financial Liabilities					
Measured at amortised cost					
Borrowings	17	787.65	581.64	1,182.05	847.34
Trade Payables	21	-	-	795.17	807.66
Other Financial Liabilities	18	0.23	0.21	235.94	141.22
Total Financial Liabilities		787.88	581.85	2,213.16	1,796.22

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 31 st March 2025			Fair value hierarchy as at 31 st March 2024		
	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	-	119.19	-	-	139.21	-
Financial assets measured at fair value through other comprehensive income						
Quoted Equity Shares	12.03	-	-	10.53	-	-
Unquoted Equity Shares	-	-	8.38	-	-	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)

	31 st March 2025						31 st March 2024					
	USD	INR	EURO	INR	JPY	INR	USD	INR	EURO	INR	JPY	INR
Foreign Currency Receivable/ (Payable) (Net)	2.39	198.74	6.49	598.87	-	-	5.43	448.03	6.25	562.76	(15.90)	(8.76)
Depreciation in Indian Rupees		5%		5%				5%		5%		5%
Effect on Profit before Tax		9.94		29.94		-		22.40		28.14		(0.44)
Appreciation in Indian Rupees		5%		5%				5%		5%		5%
Effect on Profit before Tax		(9.94)		(29.94)		-		(22.40)		(28.14)		0.44

Total hedged foreign currency payable - USD 7.44 million equivalent to Rs. 635.81 Million (Previous year - USD 1.28 million equivalent to Rs. 106.35 Million).

(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)

	31 st March 2025		31 st March 2024	
Consumption of Methanol	3,449.32		3,291.47	
Price change	+5%	-5%	+5%	-5%
Effect on Profit before Tax	(172.47)	172.47	(164.57)	164.57

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 & unquoted equity shares and unquoted alternative investment funds.

(Rs. in million)

	31 st March 2025		31 st March 2024	
Investment	139.60		158.10	
Price change	+ 5%	-5%	+ 5%	-5%
Effect on Profit before Tax	6.98	(6.98)	7.91	(7.91)

(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, 2025					
Borrowings (refer note 17)	1,182.05	602.10	190.47	1,974.62	1,969.70
Trade payable (refer note 21)	795.17	-	-	795.17	795.17
Other financial liabilities (refer note 18)	235.94	0.23	-	236.17	236.17
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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

42: Capital Management

The Company being in a capital intensive industry, its objective is to maintain a strong credit rating, healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Company's capital requirement is mainly to fund its capacity expansion, repayment of principal and interest on its borrowings and strategic acquisitions. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the capital markets. The Company is not subject to any externally imposed capital requirements.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and elongate the maturity of its debt portfolio, and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

The Company monitors its capital using gearing ratio, which is net debt, divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents.

(Rs. in million)

	31 st March 2025	31 st March 2024
Long Term Borrowings	1,119.12	759.89
Short Term Borrowings	850.58	669.09
Less: Cash and Cash Equivalents	(17.14)	(0.27)
Net Debt	1,952.56	1,428.71
Total Equity	6,012.20	6,392.72
Gearing Ratio	0.32	0.22

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. APAG Elektronik Private Ltd, India	
10. ADAPT Control Systems Inc., Canada	
11. Mr. R. V. Kanoria - Chairman & Managing Director	Key Management Personnel (KMP)
12. Mr. S. V. Kanoria - Whole Time Director	
13. Mr. Amitav Kothari - Director (Retired w.e.f. 04.09.2024)	
14. Mr. H.K. Khaitan - Director	
15. Mr. Sidharth K. Birla - Director	
16. Mr. A. Vellayan - Director (Retired w.e.f. 04.09.2024)	
17. Mrs. M. Kanoria - Director	
18. Mrs. Suhana Murshed - Director	
19. Mrs. Meeta Makhan - Director (Appointed w.e.f. 04.09.2024)	
20. Mr. Sumanta Chaudhuri - Director (Appointed w.e.f. 04.09.2024)	
21. Mr. A. V. Kanoria	Close Family Members of KMP
22. Mrs. V. Kanoria	
23. KPL International Limited	Enterprise over which KMP exercises significant influence
24. Kirtivardhan Finvest Services Limited	
25. R V Investment & Dealers Limited	
26. Fytomax Nutrition Pvt Ltd	
27. Cosyst Holding AG	
28. 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	2024-2025				2023-2024			
	Holding/ Subsidiary Companies	KMP/Close Family Members of KMP	Enterprise over which KMP exercises significant influence	Post Employment Benefit plan entity	Holding/ Subsidiary Companies	KMP/Close Family Members of KMP	Enterprise over which KMP exercises significant influence	Post Employment Benefit plan entity
Director sitting Fees								
Mr. Amitav Kothari	-	0.14	-	-	-	0.36	-	-
Mr. H.K. Khaitan	-	0.31	-	-	-	0.42	-	-
Mr. Sidharth K Birla	-	0.28	-	-	-	0.39	-	-
Mr. A. Vellayan	-	0.14	-	-	-	0.27	-	-
Mrs. M. Kanoria	-	0.21	-	-	-	0.26	-	-
Mrs. Suhana Murshed	-	0.25	-	-	-	0.25	-	-
Mrs. Meeta Makhan	-	0.18	-	-	-	-	-	-
Mr. Sumanta Chaudhuri	-	0.07	-	-	-	-	-	-
Borrowings								
Vardhan Limited	85.00	-	-	-	145.00	-	-	-
R V Investment & Dealers Limited	-	-	125.00	-	-	-	70.00	-
Repayment of Borrowings								
Vardhan Limited	-	-	-	-	145.00	-	-	-
R V Investment & Dealers Limited	-	-	125.00	-	-	-	70.00	-
Interest Expenses for the year								
Vardhan Limited	17.79	-	-	-	12.41	-	-	-
R V Investment & Dealers Limited	-	-	6.06	-	-	-	0.53	-
Loans & Advances Given								
Kanoria Africa Textiles PLC	284.95	-	-	-	276.28	-	-	-
APAG Elektronik Private Ltd	0.10	-	-	-	-	-	-	-
Receipt towards Loans & Advances Repayment								
APAG Holding AG	-	-	-	-	44.43	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Rs. in million)

Nature of Transaction	2024-2025				2023-2024			
	Holding/ Subsidiary Companies	KMP/Close Family Members of KMP	Enterprise over which KMP exercises significant influence	Post Employment Benefit plan entity	Holding/ Subsidiary Companies	KMP/Close Family Members of KMP	Enterprise over which KMP exercises significant influence	Post Employment Benefit plan entity
Interest & Fee Income for the year								
Katoria Africa Textiles PLC	55.54	-	-	-	41.85	-	-	-
APAG Holding AG	21.15	-	-	-	21.54	-	-	-
APAG Elektronik s.r.o.	-	-	-	-	0.11	-	-	-
Remuneration								
Mr. R. V. Katoria	-	31.50	-	-	-	0.58	-	-
Mr. S. V. Katoria	-	19.51	-	-	-	17.69	-	-
Commission Paid								
KPL International Limited	-	-	3.85	-	-	-	2.24	-
Rent Income								
KPL International Limited	-	-	1.20	-	-	-	1.20	-
Fytomax Nutrition Pvt Ltd	-	-	0.50	-	-	-	0.05	-
Sale of Plant & Equipment								
Fytomax Nutrition Pvt Ltd	-	-	-	-	-	-	45.00	-
Sale of Intangible Assets under Development								
Fytomax Nutrition Pvt Ltd	-	-	-	-	-	-	15.00	-
Sale of Investment								
Cosyst Holding AG	-	-	-	-	-	-	223.82	-
Contribution during the year (includes Employees' share and contribution)								
Katoria Employees' Provident Fund Trust	-	-	-	7.98	-	-	-	4.39
Balances as at 31st March								
Borrowings								
Vardhan Limited	210.00	-	-	-	125.00	-	-	-
R V Investment & Dealers Limited	-	-	-	-	-	-	-	-
Investments								
Katoria Africa Textiles PLC	1,241.63	-	-	-	1,444.17	-	-	-
APAG Holding AG	247.32	-	-	-	494.64	-	-	-
Loans & Advances								
Katoria Africa Textiles PLC	1,145.47	-	-	-	799.49	-	-	-
APAG Holding AG	611.29	-	-	-	596.94	-	-	-
APAG Elektronik Private Ltd	0.10	-	-	-	-	-	-	-
Interest and fees Receivable								
Katoria Africa Textiles PLC	113.42	-	-	-	96.74	-	-	-
APAG Holding AG	63.67	-	-	-	41.52	-	-	-
APAG Elektronik s.r.o.	-	-	-	-	0.11	-	-	-
Remuneration Payable								
Mr. R. V. Katoria	-	0.16	-	-	-	0.17	-	-
Mr. S. V. Katoria	-	0.14	-	-	-	0.16	-	-
Creditor								
KPL International Limited	-	-	0.60	-	-	-	0.37	-
Rent Receivable								
Fytomax Nutrition Pvt Ltd	-	-	0.04	-	-	-	0.00	-

The remuneration of Key Management Personnel (KMP) during the year was as follows:

Particulars	2024-2025	2023-2024
Short-term benefits	51.01	18.27
Post-employment benefits [#]	-	-
Total	51.01	18.27

[#] As the liabilities for gratuity and compensated absences are provided on actuarial basis for the Company as a whole, the amounts pertaining to KMP are not included.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

44: Analytical Ratios

Ratios	Numerator	Denominator	2024-25	2023-24	% Variation
Current Ratio	Current Assets	Current Liabilities	0.93	1.14	-18%
Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.33	0.22	47%
Debt Services Coverage Ratio	Earning available for Debt Service	Debt Service	1.55	1.14	36%
Return on Equity Ratio	Net Profit*	Average Shareholder's Equity	1.13	0.20	453%
Inventory Turnover Ratio	Total Sales	Average Inventory	11.55	10.49	10%
Trade Receivables Turnover Ratio	Total Sales	Average Trade Receivable	7.24	6.97	4%
Trade Payables Turnover Ratio	Total Purchases	Average Trade Payable	6.14	6.35	-3%
Net Capital Turnover Ratio	Total Sales	Working Capital	(42.93)	22.13	-294%
Net Profit Ratio	Net Profit*	Total Income	1.01%	0.22%	367%
Return on Capital Employed	Earning before Interest & Tax*	Equity + Debt + Deferred Tax	4.22%	1.28%	229%
Return on Investments	Income from Investments	Average Investment	-6.60%	-0.71%	-835%

Note: Financial numbers of discontinued operations have been included for calculation of ratios.

* excludes exceptional items.

Reasons for Variance in excess of 25%

- Debt-Equity Ratio increased due to Loan taken for the project and increase in working capital requirement.
- Debt Service Coverage Ratio, Return on Equity Ratio, Net Profit Ratio and Return on Capital Employed increased due to better profitability.
- Net Capital Turnover Ratio decreased due to negative working capital.
- Return on Investments decreased due to higher 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 31 st March, 2025 (Amount in Rs.)	As at 31 st March, 2024 (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, 2024	Inventories and Debtors less Creditors	872.65	968.86	96.21	Primarily inclusion of certain liabilities not forming part of creditors for goods and debtors more than 90 days.
	September, 2024	Inventories and Debtors less Creditors	770.03	890.61	120.58	
	December, 2024	Inventories and Debtors less Creditors	897.81	999.87	102.06	
	March, 2025	Inventories and Debtors less Creditors	858.54	966.39	107.85	
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	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

47. None of the Loans or Advances in the nature of loans as at 31st March, 2025 and as at 31st March, 2024 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, 2025 and 31st March, 2024 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.

Signature to Note 1 to 56

As per our report of even date annexed

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

RAHUL BOTHRA
Partner
Membership No. 067330

Place: New Delhi
Date: 21st May, 2025

For and on behalf of the Board

SIDHARTH K. BIRLA
Director
(DIN:00004213)

N. K. NOLKHA
Group Chief Financial Officer

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

PRATIBHA JAISWAL
Company Secretary
(ACS: 33981)

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 Parent Company") and its subsidiaries (collectively referred to as 'the Group') comprising of the Consolidated Balance Sheet as at March 31, 2025, 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, 2025 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, 2025. 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 Parent 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 the standalone financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Parent 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 thereunder. The respective Board of Directors / Management of the

INDEPENDENT AUDITOR'S REPORT

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 Parent 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 Parent 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.

INDEPENDENT AUDITOR'S REPORT

We communicate with those charged with governance of the Parent Company included in the consolidated financial statements of which we are the independent 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, 2025 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 Parent Company whose financial statements and other financial information reflect total assets of Rs. 8,545.60 million as at March 31, 2025, and total revenues of Rs. 8,682.36 million, total net loss after tax of Rs. 857.09 million, total comprehensive income of Rs. (872.26) million for the year ended on that date and net cash outflows of Rs. 48.18 million for the year ended March 31, 2025, 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 Parent 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 Parent 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 Parent 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 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, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, incorporated in India, we give in the "Annexure A" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. 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; except for the matters stated in the paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;
 - 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.

INDEPENDENT AUDITOR'S REPORT

- 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 Parent Company as on March 31, 2025 taken on record by the Board of Directors of the Parent Company, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;
- g. With respect to the adequacy of the internal financial controls with reference to the consolidated financial statement of the Group and the operating effectiveness of such controls, refer to our separate Report in Annexure 'B'.
- h. According to the information and explanations given to us and based on our examination of the records of the Parent Company, the Parent 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.
- i. 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 34 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 Parent Company except for Rs 1.80 million which is held in abeyance due to pending legal cases.
 - iv. (a) The respective management of the Parent Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries, respectively to the extent applicable that, to the best of our 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 Parent Company or any of such subsidiaries 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 Parent Company or any of such subsidiaries (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 respective management of the Parent Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries, respectively to the extent applicable that, to the best of our knowledge and belief, as disclosed in the notes to the accounts, during the year no funds have been received by the Parent Company or any of such subsidiaries 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 the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act to the extent applicable, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under paragraph (1) (i) (iv) (a) & (b) above, contain any material mis-statement.

INDEPENDENT AUDITOR'S REPORT

- v. The Parent 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, except for the instances mentioned below, the Parent Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software and we did not come across any instances of audit trail feature being tampered with during the course of our audit:
 - a. The feature of recording audit trail (edit log) is not enabled at the application layer of the software for payroll management.
 - b. The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting softwares used for maintaining the books of account

Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention except for the exceptions mentioned above.

Place: New Delhi
Dated: May 21, 2025

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

(Rahul Bothra)
Partner
Membership No. 067330
UDIN: 25067330BMLGPF6646

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 of even date)

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

(xxi) Unfavorable answers or qualifications or adverse remarks given by us in the respective Companies (Auditors Report) Order (CARO) reports included in the consolidated financial statements are:

SL No	Name	CIN	Parent Company / Subsidiary	Clause number of the CARO report which is qualified or is adverse
1	KANORIA CHEMICALS & INDUSTRIES LIMITED	L24110WB1960PLC024910	Parent Company	iii (c) and iii (e)

Place: New Delhi
Dated: May 21, 2025

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

(Rahul Bothra)
Partner
Membership No. 067330
UDIN: 25067330BMLGPF6646

ANNEXURE B 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 Parent Company") as of and for the year ended March 31, 2025 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 Parent 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 Parent 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 Parent 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 B 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 Parent 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, 2025, based on the internal control over financial reporting criteria established by the Parent Company considering the essential components of internal control stated in the Guidance Note.

OTHER MATTER

The subsidiaries of the Parent Company are either incorporated outside India or provisions of section 143(3) are not applicable to them.

Place: New Delhi
Dated: 21st May, 2025

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

Rahul Bothra
Partner
Membership No. 067330
UDIN: 25067330BMLGPF6646

CONSOLIDATED BALANCE SHEET

As at 31st March 2025

(Rs. in million)

Particulars	Notes	As at 31 st March 2025	As at 31 st March 2024
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	5A	8,549.63	8,114.50
(b) Capital Work-in-Progress	5C	437.22	456.08
(c) Goodwill on Consolidation	5B	59.45	352.50
(d) Other Intangible Assets	5B	36.63	32.50
(e) Intangible Assets Under Development	5D	20.29	11.64
(f) Financial Assets			
(i) Investments	6A	118.97	129.25
(ii) Loans	7	2.82	0.44
(iii) Others	8	36.44	37.13
(g) Other Non-Current Assets	9	56.33	141.34
Total Non-Current Assets		9,317.78	9,275.38
Current Assets			
(a) Inventories	10	2,461.36	2,850.11
(b) Financial Assets			
(i) Investments	6B	20.63	28.85
(ii) Trade Receivables	11	2,377.66	1,855.56
(iii) Cash and Cash Equivalents	12A	80.91	112.22
(iv) Bank Balances other than (iii) above	12B	8.10	19.93
(v) Loans	7	3.76	2.26
(vi) Others	8	30.97	48.14
(c) Current Tax Assets (Net)	13	96.79	136.33
(d) Other Current Assets	9	520.50	505.43
(e) Assets held for Sale	14	64.37	69.61
Total Current Assets		5,665.05	5,628.44
Total Assets		14,982.83	14,903.82
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	15	218.49	218.49
Other Equity	16	4,989.73	5,794.25
Equity attributable to equity holders of the parent		5,208.22	6,012.74
Non-Controlling Interest		(104.59)	163.30
Total Equity		5,103.63	6,176.04
LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	3,436.23	2,970.68
(iia) Lease Liability	18	9.06	20.45
(ii) Other Financial Liabilities	19	33.00	41.61
(b) Provisions	20	100.52	87.13
(c) Deferred Tax Liabilities (Net)	21	585.63	517.93
Total Non-Current Liabilities		4,164.44	3,637.80
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	2,504.96	2,096.54
(iia) Lease Liability	18	1.10	2.46
(ii) Trade Payables	22		
Total outstanding dues of Micro and Small Enterprises		30.20	18.21
Total outstanding dues of Others		2,250.21	2,218.61
(iii) Other Financial Liabilities	19	436.91	362.10
(b) Other Current Liabilities	23	422.72	326.12
(c) Provisions	20	68.66	65.94
Total Current Liabilities		5,714.76	5,089.98
Total Liabilities		9,879.20	8,727.78
Total Equity and Liabilities		14,982.83	14,903.82
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. 302049ERAHUL BOTHRA
Partner
Membership No. 067330
Place: New Delhi
Date: 21st May, 2025

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 OfficerPRATIBHA JAISWAL
Company Secretary
(ACS: 33981)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended 31st March 2025

(Rs. in million)

Particulars	Notes	For the year ended 31 st March 2025	For the year ended 31 st March 2024
INCOME			
Revenue from Operations	24	15,367.16	14,750.51
Other Income	25	92.08	192.49
Total Income		15,459.24	14,943.00
EXPENSES			
Cost of Materials Consumed		10,495.66	9,888.85
Purchase of Stock-in-Trade		189.30	11.33
Change in Inventories of Finished Goods and Work-in-Progress	26	(29.48)	58.32
Employee Benefit Expenses	27	2,347.22	2,343.30
Other Expenses	28	2,050.73	1,925.82
Total Expenses		15,053.43	14,227.62
Profit before Finance Costs, Depreciation & Amortisation, Exceptional Items and Tax		405.81	715.38
Finance Costs	29	457.86	430.17
Depreciation and Amortisation Expenses	5A, 5B	626.05	593.15
Profit before Exceptional Items and Tax		(678.10)	(307.94)
Exceptional Items	30	294.44	-
Profit/(Loss) from continuing operations before Tax		(972.54)	(307.94)
Tax Expenses:			
Current Tax		46.28	5.91
Deferred Tax		71.63	186.19
Tax for earlier years		-	17.06
Profit/(Loss) from continuing operations after Tax		(1,090.45)	(517.10)
Profit/(Loss) from discontinued operations before Tax	31	(2.75)	(51.71)
Gain related to sale of discontinued operations		27.82	-
Tax expenses of discontinued operations		16.09	(16.02)
Profit/(Loss) from discontinued operations after Tax		8.98	(35.69)
Profit/(Loss) for the Year		(1,081.47)	(552.79)
OTHER COMPREHENSIVE INCOME (OCI)			
A (i) Items that will not be reclassified to Profit or Loss	32A	(1.96)	(1.35)
(ii) Income-tax relating to items that will not be reclassified to Profit & Loss		1.24	0.69
B Items that will be reclassified to Profit or Loss	32B	81.49	61.25
Other Comprehensive Income for the Year (net of tax)		80.77	60.59
Total Comprehensive Income for the Year		(1,000.70)	(492.20)
Profit/(Loss) attributable to			
Owners of the Company		(835.97)	(383.96)
Non-Controlling Interest		(245.50)	(168.83)
Other Comprehensive Income attributable to			
Owners of the Company		87.60	48.30
Non-Controlling Interest		(6.83)	12.29
Total Comprehensive Income attributable to			
Owners of the Company		(748.37)	(335.66)
Non-Controlling Interest		(252.33)	(156.54)
Earning per Share - Basic & Diluted:	33		
for Continuing Operations (INR)		(19.34)	(7.97)
for Discontinued Operations (INR)		0.21	(0.82)
for Continuing & Discontinued Operations (INR)		(19.13)	(8.79)
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
RAHUL BOTHRA
Partner
Membership No. 067330
Place: New Delhi
Date: 21st May, 2025

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	PRATIBHA JAISWAL Company Secretary (ACS: 33981)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March 2025

(Rs. in million)

(A) Equity Share Capital						
	Year ended 31 st March 2025			Year ended 31 st March 2024		
	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					
	Capital Reserve	Securities Premium	Capital Redemption Reserve	Retained Earnings	Defined Benefit Plan	Equity Instruments	Foreign Currency Translation Reserve	Total	Non Controlling Interest	Total
As at 31 st March 2023	34.17	753.72	72.69	4,833.00		6.57	135.57	5,835.72	16.93	5,852.65
Profit/(Loss) 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
Transfer to Retained Earnings				(1.47)	1.47					
Total Comprehensive Income				4,629.22	-	7.38	201.01			
Foreign Currency translation adjustment		81.47		(36.18)				45.29	0.59	45.88
As at 31 st March 2024	34.17	885.96	72.69	4,593.04	-	7.38	201.01	5,794.25	163.30	5,957.55
Profit/(Loss) for the year				(835.97)				(835.97)	(245.50)	(1,081.47)
Other Comprehensive Income					(2.25)	1.53	88.32	87.60	(6.83)	80.77
Transfer to Retained Earnings				(2.25)	2.25			-		-
Total Comprehensive Income				3,754.82	-	8.91	289.33			
Foreign Currency translation adjustment		(0.25)		(55.90)			-	(56.15)	(15.56)	(71.71)
As at 31 st March, 2025	34.17	885.71	72.69	3,698.92		8.91	289.33	4,989.73	(104.59)	4,885.14

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

RAHUL BOTHRA
Partner
Membership No. 067330

Place: New Delhi
Date: 21st May, 2025

For and on behalf of the Board

SIDHARTH K. BIRLA
Director
(DIN:00004213)

N. K. NOLKHA
Group Chief Financial Officer

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

PRATIBHA JAISWAL
Company Secretary
(ACS: 33981)

CONSOLIDATED STATEMENT OF CASH FLOW

For the year ended 31st March 2025

(Rs. in million)

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax		
From continuing operations	(972.54)	(307.94)
Adjustments for:		
Unrealised Debts & Claims Written Off	4.40	24.88
Allowance for Bad & Doubtful Debts & Advances (Net)	5.04	(0.49)
Finance Costs	457.86	430.17
Depreciation & Amortization	626.05	593.15
(Profit)/Loss on Sale of Property, Plant and Equipment (Net)	(40.02)	(22.80)
(Gain)/Loss on Sale of Investments as FVTPL/FVTOCI (Net)	2.93	(132.49)
Interest Income	(3.40)	(2.87)
Fair Value (Gain)/Loss on Financial Instruments as FVTPL (Net)	10.70	(16.56)
Dividend Income	(2.42)	(0.20)
Liabilities Written Back	(0.26)	(3.93)
Unrealised Foreign Exchange (Gain)/Loss (Net)	(95.17)	60.18
Exceptional Items	294.44	-
Operating Profit before Working Capital changes	287.61	621.10
Adjustments for:		
(Increase)/ Decrease in Trade and other Receivables (Net)	(500.85)	25.64
(Increase)/ Decrease in Inventories	388.75	(73.27)
Increase/ (Decrease) in Trade and other Payables (Net)	30.94	(174.82)
Cash generated from Operations	206.45	398.65
Income Tax (Paid)/Refund (net)	(3.63)	(22.74)
Net Cash generated from/(used in) Operating Activities	202.82	375.91
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment and Intangible Assets (including CWIP & Capital Advances)	(1,002.93)	(807.92)
Proceeds from Sale of Property, Plant & Equipment	215.99	65.06
Purchase of Investments	(0.02)	(20.00)
Sale of Investments	6.41	252.09
Advance against sale of Investment	87.13	-
Bank Deposits (held as security)	11.23	4.29
Interest Received	3.30	2.76
Dividend Received	2.42	0.20
Gain from sale of discontinued operations	27.82	-
Net Cash generated from/(used in) Investing Activities	(648.65)	(503.52)

CONSOLIDATED STATEMENT OF CASH FLOW

For the year ended 31st March 2025

(Rs. in million)

	For the year ended 31 st March 2025	For the year ended 31 st March 2024
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-term Borrowings	1,096.20	230.27
Repayment of Long-term Borrowings	(459.33)	(507.53)
Proceeds/(Payments) of Short-term Borrowings (Net)	236.70	268.28
Proceeds from issue of shares	-	527.48
Finance Costs Paid	(459.03)	(467.24)
Net Cash generated from/(used in) Financing Activities	414.54	51.26
Net Increase/(Decrease) in Cash and Cash Equivalents from continuing operations	(31.29)	(76.35)
Cash and Cash Equivalents at the beginning of the year from continuing operations	112.20	188.55
Cash and Cash Equivalents at the end of the year from continuing operations	80.91	112.20
D. CASH FLOW FROM DISCONTINUED OPERATIONS		
Cash and Cash Equivalents at the beginning of the year	0.02	0.03
Net Cash generated from/(used in) Operating Activities	(56.02)	(0.18)
Net Cash generated from/(used in) Investing Activities	55.60	-
Net Cash generated from/(used in) Financing Activities	0.40	0.17
Net increase in cash and cash equivalent from discontinued operations	0.00	0.02
Cash and Cash Equivalents at the end of the year from discontinued operations	-	0.02
Cash and cash equivalents at the end of the year (Note 12A)	80.91	112.22

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. Reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities.

	For the year ended 31 st March 2025			For the year ended 31 st March 2024		
	Long term Borrowings	Short term Borrowings	Interest Accrued	Long term Borrowings	Short term Borrowings	Interest Accrued
Opening Balance	3,430.01	1,637.21	21.12	3,707.27	1,368.76	58.19
Cash flow Changes	636.87	237.10	(459.03)	(277.26)	268.45	(467.24)
Non Cash flow changes						
Finance Costs	-	-	457.86	-	-	430.17
Closing Balance	4,066.88	1,874.31	19.95	3,430.01	1,637.21	21.12

As per our report of even date annexed

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

RAHUL BOTHRA
Partner
Membership No. 067330

Place: New Delhi
Date: 21st May, 2025

For and on behalf of the Board

SIDHARTH K. BIRLA
Director
(DIN:00004213)

N. K. NOLKHA
Group Chief Financial Officer

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

PRATIBHA JAISWAL
Company Secretary
(ACS: 33981)

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 2025. The Group is primarily engaged in manufacture of Industrial Chemicals, Electronic Automotive and Textiles.

2: Basis of Preparation

A. Statement of Compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated Financial Statement.

These Consolidated financial Statements have been approved for issue by the Board of Directors on 21st May 2025.

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 and presented on the going concern basis using 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.

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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

Capital work-in-progress is stated at cost less impairment allowance (if any) 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.

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 sum items of PPE where useful life is considered based on technical assessment.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 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.

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

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.

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

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. 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.

O. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

P. 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.

Q. Segment Reporting

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

R. 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.

S. Recent applicable Accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable from April 1, 2024. The Group has assessed that there is no significant impact in its financial statements.

On May 9, 2025, MCA notifies the amendments to Ind AS 21 - Effects of Changes in Foreign Exchange Rates. These amendments aim to provide clearer guidance on assessing currency exchangeability and estimating exchange rates when currencies are not readily exchangeable. The amendments are effective for annual periods beginning on or after April 1, 2025. The Group is currently assessing the probable impact of these amendments on its financial statements.

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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 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 01.04.24	Additions	Foreign Currency Translation Adjustment	Disposal/ Reclassification	As at 31.03.25	As at 01.04.24	For the Year#	Foreign Currency Translation Adjustment	Disposal/ Reclassification	As at 31.03.25	As at 31.03.25
Land & Site Development :											
Freehold	823.41	-	2.81	19.10	807.12	-	-	-	-	-	807.12
Leasehold (ROU)*	1,078.76	-	8.83	63.76	1,023.83	133.65	14.09	1.07	8.24	140.57	883.26
Buildings*	2,715.05	67.97	40.98	29.94	2,794.06	646.31	88.86	6.36	6.46	735.07	2,058.99
Plant & Equipment	7,486.21	998.59	95.74	391.57	8,188.97	3,331.82	467.90	54.00	363.57	3,490.15	4,698.82
Furniture & Fixtures*	97.44	0.98	0.72	1.82	97.32	64.16	7.45	0.66	1.67	70.60	26.72
Vehicles & Fork Lifts	127.57	16.39	1.70	25.41	120.25	88.47	12.55	1.34	17.91	84.45	35.80
Office Equipment	175.00	8.34	1.22	7.28	177.28	124.53	19.95	1.05	7.17	138.36	38.92
Total	12,503.44	1,092.27	152.00	538.88	13,208.83	4,388.94	610.80	64.48	405.02	4,659.20	8,549.63

* Leasehold Land of Rs. 54.88 million, Buildings of Rs. 9.42 million and Furniture & Fixtures of Rs. 0.07 million are classified as assets held for sale.

Depreciation for the year includes Rs. 4.16 million for discontinued operations.

	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 (ROU)*	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.

Depreciation for the year includes Rs. 31.88 million for discontinued operations.

5B: Intangible Assets

	Gross Carrying Value					Amortisation					Net Carrying Value
	As at 01.04.24	Additions	Foreign Currency Translation Adjustment	Impairment/ Disposal/ Reclassification	As at 31.03.25	As at 01.04.24	For the Year	Foreign Currency Translation Adjustment	Disposal/ Reclassification	As at 31.03.25	As at 31.03.25
Goodwill*	352.50	-	1.39	294.44	59.45	-	-	-	-	-	59.45
Computer Software	162.84	23.20	4.87	-	190.91	140.87	14.18	4.55	-	159.60	31.31
Product Development	26.34	-	0.25	-	26.59	15.81	5.23	0.23	-	21.27	5.32
Total	541.68	23.20	6.51	294.44	276.95	156.68	19.41	4.78	-	180.87	96.08

*Refer note 30

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in million)

	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

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

	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at 31.03.25	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at 31.03.24
Project in Progress	437.22	-	-	-	437.22	456.08	-	-	-	456.08

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 31.03.25	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at 31.03.24
Project in Progress	20.29	-	-	-	20.29	11.64	-	-	-	11.64

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)

	31 st March 2025			31 st March 2024		
	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	0.01
HDFC Bank Ltd.	1	5,000	9.14	1	5,000	7.24
Bank of India.	10	9,000	0.96	10	9,000	1.23
NMDC Ltd.	1	24,000	1.65	1	8,000	1.61
NMDC Steel Ltd.	10	8,000	0.27	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
Ballygunge Services Private Ltd.	10	400	0.02	-	-	-
Total Investments at Fair Value through OCI			20.41			18.89
Investments at Fair Value through PL						
Alternative Investment Funds (Unquoted)						
IIFL Seed Venture Fund	5	2,408,992	38.55	5	2,411,700	41.28
Chiratae Trust	100,000	177	34.67	100,000	180	42.19
India Housing Fund - Series 4	10	1,999,882	25.34	10.00	1,999,900	26.89
Total Investments at Fair Value through PL			98.56			110.36
Total Non Current Investments (A)			118.97			129.25
(B) Current Investments:						
Investments at Fair Value through PL						
Alternative Investment Fund (Unquoted)						
IIFL Real Estate Fund (Domestic) Sr.3	7	5,365,000	20.63	7	5,365,000	26.60
ICICI Prudential Real Estate AIF-II	-	-	-	100	32,617	2.25
Total Investments at Fair Value through PL			20.63			28.85
Total Current Investments (B)			20.63			28.85

	Non-Current	Current		Non-Current	Current
Aggregate book value of quoted investments	12.03	-		10.53	-
Aggregate market value of quoted investments	12.03	-		10.53	-
Aggregate value of unquoted investments	106.94	20.63		118.72	28.85

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7: Loans

(Rs. in million)

	31 st March 2025		31 st March 2024	
	Non-Current	Current	Non-Current	Current
(Unsecured considered good) Other Loans				
Loan to Employees	2.82	3.76	0.44	2.26
Total Loans	2.82	3.76	0.44	2.26

8: Other Financial Assets

(Unsecured considered good) Security Deposits	36.44	15.93	37.13	34.66
Export Benefits and Claims Receivable	-	14.36	-	12.91
Interest and Dividend Receivable	-	0.68	-	0.57
Total Other Financial Assets	36.44	30.97	37.13	48.14

9: Other Assets

(Unsecured considered good) (a) Capital Advances	6.44	-	109.08	-
(b) Advances other than Capital Advances				
(i) Other Advances	49.89	252.71	32.26	178.48
(ii) Balance with Government Authorities	-	267.79	-	326.95
Total Other Assets	56.33	520.50	141.34	505.43

10: Inventories

Raw Materials	1,193.11	1,682.92
Raw Materials in transit	147.24	49.28
Work-in-Progress	557.98	442.60
Finished Goods	386.79	493.63
Goods in Transit	16.84	9.46
Stores & Spare Parts	159.17	172.22
Stock-in-trade	0.23	-
Total Inventories	2,461.36	2,850.11

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11: Trade Receivables

(Rs. in million)

Particulars	31 st March 2025	31 st March 2024
Secured, considered good	2.37	2.37
Unsecured, considered good	2,375.29	1,853.19
With Significant Increase in Credit risk	8.24	5.92
Less: Allowance for Bad & Doubtful Debts	8.24	5.92
Total Trade Receivables	2,377.66	1,855.56

Trade Receivables Ageing Schedule

Particulars	Outstanding for following periods from due date of payment						31 st March 2025
	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	2,017.48	321.26	12.98	21.65	1.92	-	2,375.29
ii. Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	2.13	0.12	5.13	7.38
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	-	-	-	2.13	0.12	5.99	8.24
Total	2,017.48	321.26	12.98	21.65	1.92	2.37	2,377.66

Particulars	Outstanding for following periods from due date of payment						31 st 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

12A: Cash and Cash Equivalent

	31 st March 2025	31 st March 2024
Balance with banks:		
On Current Accounts	79.09	111.09
Cheque/Drafts/Remittance in hand	-	0.12
Cash on hand	1.82	1.01
Total Cash and cash equivalent	80.91	112.22

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12B: Other Bank Balances

(Rs. in million)

	31 st March 2025	31 st March 2024
Earmarked balances with Banks (Unpaid Dividend Accounts)	2.94	3.53
Bank deposits (held as security)	5.16	16.40
Total other bank balances	8.10	19.93

13: Current Tax Assets

	31 st March 2025	31 st March 2024
Income Tax Payments (net of provision)	96.79	136.33
Total Current Tax Assets	96.79	136.33

14: Assets held for Sale

	31 st March 2025	31 st March 2024
Freehold Land	54.88	60.19
Buildings	9.42	9.42
Furniture & Fixtures	0.07	-
Total Assets held for Sale	64.37	69.61

Note: The Board of Directors of parent company has approved the sale of Land and Building vide its resolution dated 3rd May, 2024 and dated 14th February, 2024 for Current & Preceding year respectively. The sale of Assets appearing in the previous financial year has already been completed and those appearing the current financial year are expected to complete in short term.

15: Equity Share Capital

	31 st March 2025		31 st March 2024	
	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

	31 st March 2025		31 st March 2024	
	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	31 st March 2025		31 st March 2024	
	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 31 st March 2025		Shares held by promoters as at 31 st March 2024		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	-

Note: There is no changes in promoter's shareholding during the year 2023-24.

(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)

	31 st March 2025		31 st March 2024	
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	885.96		753.72	
Add : Received During the year	-		527.48	
Less : Transfer to NCI	-		476.71	
Add : Foreign Currency Translation adjustment	(0.25)	885.71	81.47	885.96
Retained Earnings				
As per last Balance Sheet	4,593.04		4,833.00	
Due to change in Holding Ratio	-		181.65	
Add : Profit/(Loss) for the year	(835.97)		(383.96)	
Add : Actuarial gain/(loss) on defined benefit plan (Net)	(2.25)		(1.47)	
Add : Foreign Currency Translation adjustment	(55.90)	3,698.92	(36.18)	4,593.04
Other Comprehensive Income (OCI)				
As per last Balance Sheet	208.39		142.14	
Due to change in Holding Ratio	-		16.48	
Add : Movement in OCI (Net) during the year	89.85	298.24	49.77	208.39
Total Other Equity		4,989.73		5,794.25

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

- Capital Reserve: represents the amount received on account of capital receipts, etc. in earlier years.
- Capital Redemption Reserve: was created for redemption of preference shares and on buy-back of equity shares as per statutory requirement.
- Securities Premium: represents premium on issue of shares.
- Retained Earnings: are the accumulated profits earned by the Company and remaining undistributed as on date.
- 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	31 st March 2025		31 st March 2024	
	Non-Current	Current	Non-Current	Current
Secured				
Term Loans				
From Banks/Financial Institution ¹	2,773.58		2,657.56	
Current maturities of Long term debts		487.82		459.33
Short Term Loan				
From Banks ²		489.09		500.00
Loans Repayable on Demand				
From Banks ²		1,007.43		872.40
Unsecured				
Term Loans				
From Related Party	484.18	-	125.00	-
Current maturities of Long term debts		125.00		
From Government	178.47	-	188.12	-
Current maturities of Long term debts		17.83		
Short Term Loan				
From Body Corporate	-	-	-	80.00
From Related Parties		377.79		184.81
Total Borrowings	3,436.23	2,504.96	2,970.68	2,096.54

¹ Term Loan of Rs. 294.66 million (Previous Year 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. 639.70 million (Previous Year Rs. 105.90 million) 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 plant & Machinery created out of bank finance on first charge basis in Ankleshwar unit, of Rs. 10.80 million (Previous Year Rs. 21.58 million) secured by second charge on Current Assets of the Company and movable fixed assets of Ankleshwar Division, of Rs. 48.96 million (Previous Year Rs. 79.89 million) secured by second charge on entire fixed assets of the Naidupet and Vizag Division, of Rs. 1183.21 million (Previous Year Rs. 1427.18 million) secured by whole of the assets and properties of Kanoria Africa Textiles Plc, of Rs. 7.69 million (Previous Year Rs. 79.24 million) secured by Building of APAG Elektronik s.r.o., Czech Republic, of Rs. 256.38 million (Previous Year Rs. 190.12 million) secured by specified Plant & Machinery of APAG Elektronik s.r.o., Czech Republic, of Rs. 814.82 million (Previous Year Rs. 785.46 million) secured by trade receivables of APAG Elektronik AG, Switzerland and Rs. 5.18 million (Previous Year Nil) secured by specified vehicles of APAG Elektronik Corp. Canada.

² Loan of Rs. 645.58 million (Previous Year 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. 120 million secured by subservient charge over the movable & immovable fixed assets of the company (previous year 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), (Previous Year Rs. 35.45 million secured by whole of the assets and properties of Kanoria Africa Textiles Plc, Ethiopia) and of Rs. 730.94 million (Previous Year Rs. 747.86 million) secured by Inventories and Trade Receivables of APAG Elektronik s.r.o., Czech Republic.

18: Lease Liability

Particulars	31 st March 2025		31 st March 2024	
	Non-Current	Current	Non-Current	Current
Leasehold Land Obligations Payable	9.06	1.10	20.45	2.46

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19: Other Financial Liabilities

(Rs. in million)

Particulars	31 st March 2025		31 st March 2024	
	Non-Current	Current	Non-Current	Current
Interest Accrued	-	19.95	-	21.12
Security Deposit	0.23	9.13	0.21	9.15
Liabilities for Capital Goods	-	44.26	-	44.57
Unpaid Dividend ¹	-	2.93	-	3.53
Employee related liabilities	-	112.46	-	114.31
Deferred Grant	32.77	4.43	41.40	5.26
Advance against Sale of Investments	-	87.13	-	-
Other liabilities	-	156.62	-	164.16
Total Other Financial Liabilities	33.00	436.91	41.61	362.10

¹ These figures does not include any amount, due and outstanding, to be credited to Investor Education and Protection Fund except Rs. 1.80 million (previous year Rs. 1.68 million) which is held in abeyance due to legal case pending.

20: Provisions

Particulars	31 st March 2025		31 st March 2024	
	Non-Current	Current	Non-Current	Current
Provision for Gratuity	100.52	16.46	87.13	16.65
Provision for Accrued Leave	-	52.20	-	49.29
Total Provisions	100.52	68.66	87.13	65.94

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:

	1 st April 2024	Profit & Loss (Net)	OCI (Net)	31 st March 2025
Deferred Tax Liability				
Timing Difference on PPE & Intangible Assets	781.29	70.21	-	851.50
Fair Value of Investments	8.84	(4.75)	(0.03)	4.06
Others	1.87	(0.24)	-	1.63
Deferred Tax Assets				
MAT Credit Entitlement	182.90	9.57	-	192.47
Unabsorbed Business Losses/Depreciation	46.55	(20.13)	-	26.42
Expenses relating to Retirement Benefits	44.28	4.38	1.21	49.87
Others	0.34	2.46	-	2.80
Net Deferred Tax Liabilities	517.93	68.94	(1.24)	585.63

	1 st April 2023	Profit & Loss (Net)	OCI (Net)	31 st 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/Capital Loss	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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22: Trade Payable

(Rs. in million)

	31 st March 2025	31 st March 2024
Trade Payable		
Total outstanding dues of Micro and small enterprises	30.20	18.21
Total outstanding dues of creditors other than Micro and small enterprises	2,250.21	2,218.61
Total Trade Payables	2,280.41	2,236.82
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each financial year.		
i. Principal	30.20	18.21
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	31 st March 2025
i. MSME	30.20	-	-	-	-	30.20
ii. Others	1,712.87	524.70	9.78	2.66	0.20	2,250.21
iii. Disputed dues-MSME	-	-	-	-	-	-
iv. Disputed dues-Others	-	-	-	-	-	-
Total	1,743.07	524.70	9.78	2.66	0.20	2,280.41

	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	31 st 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

23: Other Current Liabilities

	31 st March 2025	31 st March 2024
Statutory liabilities	287.90	247.30
Advance against Assets held for Sale	92.47	-
Customers' Credit Balances	42.35	78.82
Total Other Current Liabilities	422.72	326.12

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24: Revenue from Operations

(Rs. in million)

	31 st March 2025	31 st March 2024
(a) Sale of Products		
Manufactured products		
Alco Chemicals	6,447.21	5,679.44
Electronic Automotive	7,571.35	7,337.14
Textile	749.40	1,065.11
	14,767.96	14,081.69
Traded products		
Methanol	208.19	11.61
(b) Sale of Services	170.16	444.31
Total Sale	15,146.31	14,537.61
(c) Other Operating Revenues		
Miscellaneous Sales	196.64	189.56
Export benefits	4.70	3.09
Others	19.51	20.25
Total Other Operating Revenues	220.85	212.90
Total Revenue from Operations	15,367.16	14,750.51

25: Other Income

	31 st March 2025	31 st March 2024
Interest Income		
From Others	3.40	2.87
Dividend Income	2.42	0.20
Gain/(Loss) on Sale of Investments (Net)	(2.93)	132.49
Fair value gain on Financial Instruments classified as FVTPL (Net)	(10.70)	16.56
Profit/(Loss) on Property, Plant & Equipment (including Intangible Assets under Development) sold/discarded (Net)	40.02	22.80
Foreign Exchange Rate Fluctuation (Net)	31.97	-
Rent Income	4.65	4.01
Other non operating income	23.25	13.56
Total Other Income	92.08	192.49

26: Change in Inventories of Finished Goods and Work-in-Progress

	31 st March 2025	31 st March 2024
Opening Stock		
Finished Goods	503.09	499.60
Work-In-Progress	442.60	522.35
	945.69	1,021.95
Closing Stock		
Finished Goods	403.63	503.09
Work-In-Progress	557.98	442.60
	961.61	945.69
Change in Inventories		
Finished Goods	99.46	(3.49)
Work-In-Progress	(115.38)	79.75
Foreign Currency Translation adjustment	(13.56)	(17.94)
Total Change in Inventories of Finished Goods and Work-in-Progress	(29.48)	58.32

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27: Employee Benefits Expense

(Rs. in million)

	31 st March 2025	31 st March 2024
Salaries, Wages, Bonus & Gratuity etc. (including payments to Contractors)	1,895.75	1,949.36
Contribution to Provident Fund etc.	337.78	297.07
Staff Welfare Expenses	113.69	96.87
Total Employee Benefits Expense	2,347.22	2,343.30

28: Other Expenses

	31 st March 2025	31 st March 2024
Consumption of Stores & Spare parts etc.	294.26	273.10
Other Manufacturing Expenses	78.17	61.02
Power & Fuel	527.81	518.43
Repairs to -		
Plant & Machinery	96.50	81.59
Buildings	22.49	7.49
Others	32.75	32.37
Water Charges & Cess	54.77	56.47
Rates & Taxes	17.45	23.78
Rent	113.41	78.90
Insurance	64.87	58.70
Legal and Professional Charges	153.14	145.86
Miscellaneous Expenses	303.77	241.36
CSR Expenditure	1.40	2.57
Foreign Exchange Rate Fluctuation (Net)	-	78.23
Fair value loss on Forward Contract	4.82	0.03
Commission & Brokerage to Others	13.76	28.45
Freight, Handling & Other Charges	200.46	150.84
Director sitting Fees	1.58	1.95
Travelling Expenses	50.83	51.69
Charity & Donations	0.41	0.24
Provision for bad & doubtful Debts & Advances (net)	5.04	(0.49)
Unrealized Debts and Claims written off	4.40	24.88
Payment to Auditors	8.64	8.36
Total Other Expenses	2,050.73	1,925.82

29: Finance Costs

	31 st March 2025	31 st March 2024
Interest Expense	408.17	377.25
Net Gain/Loss on foreign currency transaction and translation (to the extent considered as Finance Cost)	5.20	0.90
Bank/Finance charges	44.49	52.02
Total Finance Costs	457.86	430.17

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30: Exceptional Items

(Rs. in million)

	31 st March 2025	31 st March 2024
Impairment of Goodwill created at the time of acquisition of APAG Holding AG, a subsidiary company.	294.44	-
Total Exceptional Items	294.44	-

31: Discontinued Operations

	31 st March 2025	31 st March 2024
The Solar Power Division of the Company was sold on Slump Sale and Going Concern basis on 30 th June, 2024. Consequently, the result of the said division has been disclosed as Discontinued Operations in accordance with Ind AS 105 "Non-Current Assets Held for Sale and Discontinued Operations".		
The Assets & Liabilities of Discontinued Operations as at 31st March, 2024 where as under:		
ASSETS		
Property, Plant and Equipment		55.60
Non-Current Financial Assets-Others		0.07
Other Non-Current Assets		0.01
Trade Receivables		4.74
Cash and Cash Equivalents		0.02
Other Current Assets		0.60
Total Assets		61.04
LIABILITIES		
Non-Current Provisions		0.18
Current Borrowings		(0.39)
Current Financial Liabilities - Others		3.56
Other Current Liabilities		0.13
Current Provisions		0.08
Total Liabilities		3.56
The Financial Results of Discontinued Operations for the period are as under:		
Revenue from Operations	3.71	16.70
Other Income	2.08	0.19
Total Income	5.79	16.89
Employee Benefit Expenses	0.34	1.27
Other Expenses	4.04	11.24
Total Expenses	4.38	12.51
Profit before Finance Costs, Depreciation & Amortisation, Exceptional Items and Tax	1.41	4.38
Finance Costs	-	0.00
Depreciation and Amortisation Expenses	4.16	31.88
Profit/(Loss) before Exceptional Items and Tax	(2.75)	(27.50)
Exceptional Items ¹	-	24.21
Profit/(Loss) from discontinued operations before Tax	(2.75)	(51.71)
Gain related to sale of discontinued operations	27.82	-
Tax Expenses	16.09	(16.02)
Profit/(Loss) from discontinued operations after Tax	8.98	(35.69)
¹ Exceptional Items		
i) Write down in the value of Solar Power receivables in respect of power supplied to Discom from 1 st April, 2019 to 31 st March, 2023 from Rs. 3.14/kWh to Rs. 2.24/kWh based on the order dated 27 th 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 12 th September, 2023	-	(2.87)
Total Exceptional Items	-	24.21
Refer Statement of Cash Flow for Cash Flow from Discontinued Operations		

Note: Figures for the previous year have been regrouped due to accounting of discontinued operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32: Other Comprehensive Income (OCI)

(Rs. in million)

	31 st March 2025	31 st March 2024
A. Items that will not be reclassified to Profit or Loss		
1. Actuarial Gain/(Loss) on Defined Benefit Plan	(3.46)	(2.27)
Deferred Tax	1.21	0.79
2. Net gain/(loss) on FVTOCI Equity securities	1.50	0.92
Deferred Tax	0.03	(0.10)
Net OCI not to be reclassified to Profit or Loss	(0.72)	(0.66)
B. Items that will be reclassified to Profit or Loss		
Foreign Currency Translation Reserve	81.49	61.25
Net OCI to be reclassified to Profit or Loss	81.49	61.25
Other Comprehensive Income for the year, net of tax	80.77	60.59

33: Earning per Share (EPS)

	31 st March 2025	31 st March 2024
Details for calculation of basic and diluted earning per share:		
Weighted average number of equity share (Numbers)	43,693,333	43,693,333
Profit/(Loss) from continuing operation after Tax as per Statement of Profit and Loss	(844.95)	(348.27)
Basic and Diluted Earning per Share for continuing operations (Rs.) (Face Value Rs. 5 each)	(19.34)	(7.97)
Profit/(Loss) from discontinued operations after Tax as per Statement of Profit and Loss	8.98	(35.69)
Basic and Diluted Earning per Share for discontinued operations (Rs.) (Face Value Rs. 5 each)	0.21	(0.82)
Basic and Diluted Earning per Share for continuing and discontinued operations (Rs.) (Face Value Rs. 5 each)	(19.13)	(8.79)

34: Commitments and Contingencies

	31 st March 2025	31 st March 2024
(i) Contingent Liabilities		
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	1.35
Customs & Central Tax Demands	7.65	7.65
Income Tax demands (paid Rs. 12.63 million)	58.37	103.24
Other claims being disputed by the Company	-	5.56
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	62.91	323.64
Advances paid	6.44	109.08

35: Details of pre-operative expenses capitalised under Property Plant and Equipment

	31 st March 2025	31 st March 2024
Cost of Materials Consumed	16.42	-
Other Expenses	6.34	1.33
Finance Costs	18.31	6.82
	41.07	8.15
Less:		
Sale of Manufactured products	18.47	-
Miscellaneous Sales	0.41	-
	22.19	8.15

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

36: 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. Electronic Automotive
- III. Textile

(Rs. in million)

Business Segment	Year ended 31 st March 2025				Year ended 31 st March 2024			
	Chemicals	Electronic Automotive	Textile	Total	Chemicals	Electronic Automotive	Textile	Total
Segment Revenue								
Revenue from operations	6,783.04	7,824.02	760.10	15,367.16	5,768.61	7,900.75	1,081.15	14,750.51
Segment Result	336.10	(394.73)	(161.61)	(220.24)	134.21	(37.28)	25.30	122.23
Less: (i) Finance Costs				457.86				430.17
(ii) Exceptional Items				294.44				-
Profit/(Loss) from Continuing Operations before Tax				(972.54)				(307.94)
Tax Expense				117.91				209.16
Profit/(Loss) from continuing operations after Tax				(1,090.45)				(517.10)
Segment Assets	6,437.23	5,265.16	3,280.44	14,982.83	6,201.33	5,072.38	3,569.06	14,842.77
Discontinued Operations				-				61.05
Total Assets:				14,982.83				14,903.82
Segment Liabilities	1,878.23	1,877.57	182.30	3,938.10	1,615.91	1,802.45	238.25	3,656.61
Discontinued Operations				-				3.95
Un-allocable Corporate Liabilities				5,941.10				5,067.22
Total Liabilities:				9,879.20				8,727.78
Other Disclosures								
Capital Expenditure	571.54	533.72	-	1,105.26	356.78	379.72	16.05	752.55
Total Capital Expenditure:				1,105.26				752.55
Depreciation & Amortization	199.68	306.93	119.44	626.05	182.73	292.30	118.12	593.15
Total Depreciation & Amortization:				626.05				593.15

(B) Secondary Segment information

Geographical Segment ==>	Year ended 31 st March 2025			Year ended 31 st March 2024		
	India	Rest of the World	Total	India	Rest of the World	Total
Segment Revenue	6,516.47	8,850.69	15,367.16	5,616.56	9,133.95	14,750.51
Segment Assets	6,406.89	8,575.94	14,982.83	6,238.30	8,665.52	14,903.82
Segment Liabilities	7,654.02	2,225.18	9,879.20	6,462.43	2,265.35	8,727.78
Capital Expenditure	571.54	533.72	1,105.26	356.78	395.77	752.55

(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., Textile business includes yarn & denim manufacturing and Electronic Automotive business includes electronic & mechatronic modules etc.

NOTES TO THE CONSOLIDATED 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. 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	31 st March 2025	31 st March 2024
	Gratuity	Gratuity
1. Change in the Present Value of Obligation		
- Present Value of Obligation as at the beginning	103.78	103.92
- Current Service Cost	6.22	5.52
- Interest Expense or Cost	7.41	7.76
- Actuarial (gains) / losses arising from:		
change in demographic assumptions	-	-
change in financial assumptions	2.41	1.65
experience variance	1.05	0.62
- Benefits paid	(3.89)	(15.69)
- Present Value of Obligation as at the end	116.98	103.78
2. Expenses recognised in the Statement of Profit & Loss		
- Current Service Cost	6.22	5.52
- Interest Expense or Cost	7.41	7.76
Total	13.63	13.28
3. Other Comprehensive Income		
- Actuarial (gains) / losses arising from:		
change in demographic assumptions	-	-
change in financial assumptions	2.41	1.65
experience variance	1.05	0.62
Total	3.46	2.27
4. Actuarial Assumptions		
(a) Financial Assumptions		
Discount rate (per annum)	6.75%	7.15%
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)

	31 st March 2025	31 st March 2024
Discount rate increase by 1%	(111.33)	(98.65)
Discount rate decrease by 1%	123.35	109.54
Salary Growth rate increase by 1%	123.27	109.49
Salary Growth rate decrease by 1%	(111.30)	(98.60)

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	16.46
2 to 5 years	76.63
6 to 10 years	27.61
More than 10 years	62.68

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 does not have existing deficit of interest shortfall. The amount debited to Statement of Profit and Loss towards Provident Fund contribution during the year was Rs. 337.78 million (previous year Rs. 297.07 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

38: The list of subsidiaries which are included in the Consolidated Financial Statements of the Katoria Chemicals & Industries Limited and its effective ownership interest therein are as under:

Name of the Company	Relationship	Country of Incorporation	Ownership Interest	
			31 st March 2025	31 st March 2024
Katoria Africa Textiles PLC	Subsidiary	Ethiopia	100.00%	100.00%
APAG Holding AG	Subsidiary	Switzerland	55.00%	55.00%

For the purpose of consolidation, the following subsidiaries/step down subsidiaries are included in the consolidated financial statements of APAG Holding AG.

Name of the Company	Relationship	Country of Incorporation	Ownership Interest	
			31 st March 2025	31 st March 2024
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 Private Ltd	Subsidiary	India	100%	-
APAG Elektronik Corp.	Subsidiary of APAG Elektronik AG	Canada	100%	100%
ADAPT Control Systems Inc.	Subsidiary of CoSyst Control Systems GmbH	Canada	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	
	2024-2025		2024-2025		2024-2025		2024-2025	
	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 Katoria Chemicals & Industries Limited	50.73%	2,589.30	27.84%	(301.08)	-0.88%	(0.71)	30.16%	(301.79)
Subsidiaries								
Foreign								
Katoria Africa Textiles PLC	37.53%	1,914.94	23.67%	(255.98)	71.94%	58.11	19.77%	(197.87)
APAG Holding AG (Consolidated)	13.79%	703.98	25.79%	(278.91)	37.39%	30.20	24.85%	(248.71)
Non-Controlling interest in all subsidiaries	-2.05%	(104.59)	22.70%	(245.50)	-8.45%	(6.83)	25.22%	(252.33)
Total	100.00%	5,103.63	100.00%	(1,081.47)	100.00%	80.77	100.00%	(1,000.70)

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	
	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 APAG Holding AG (Consolidated)	30.26% 15.07%	1,868.18 931.02	22.55% 33.41%	(124.63) (184.68)	56.04% 24.77%	33.95 15.01	18.42% 34.48%	(90.68) (169.67)
Non-Controlling interest in all subsidiaries	2.64%	163.30	30.54%	(168.83)	20.28%	12.29	31.80%	(156.54)
Total	100.00%	6,176.04	100.00%	(552.79)	100.00%	60.59	100.00%	(492.20)

40: Category-wise classification of Financial Instruments

	Refer Note	Non-Current		Current	
		31 st March 2025	31 st March 2024	31 st March 2025	31 st March 2024
Financial Assets					
Measured at amortised cost					
Trade Receivables	11	-	-	2,377.66	1,855.56
Cash and cash equivalents	12A	-	-	80.91	112.22
Other Bank balances	12B	-	-	8.10	19.93
Loans	7	2.82	0.44	3.76	2.26
Other Financial Assets	8	36.44	37.13	30.97	48.14
Measured at fair value through profit or loss					
Investments	6A&B	98.56	110.36	20.63	28.85
Measured at fair value through other comprehensive income					
Investments	6A	20.41	18.89	-	-
Total Financial Assets		158.23	166.82	2,522.03	2,066.96
Financial Liabilities					
Measured at amortised cost					
Borrowings	17	3,436.23	2,970.68	2,504.96	2,096.54
Lease Liability	18	9.06	20.45	1.10	2.46
Trade Payables	22	-	-	2,280.41	2,236.82
Other Financial Liabilities	19	33.00	41.61	436.91	362.10
Total Financial Liabilities		3,478.29	3,032.74	5,223.38	4,697.92

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 31 st March 2025			Fair value hierarchy as at 31 st March 2024		
	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	-	119.19	-	-	139.21	-
Financial assets measured at fair value through other comprehensive income						
Quoted Equity Shares	12.03	-	-	10.53	-	-
Unquoted Equity Shares	-	-	8.38	-	-	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)

	31 st March 2025						31 st March 2024					
	USD	INR	EURO	INR	JPY	INR	USD	INR	EURO	INR	JPY	INR
Foreign Currency Receivable/ (Payable) (Net)	2.39	198.74	6.49	598.87	-	-	5.43	448.03	6.25	562.76	(15.90)	(8.76)
Depreciation in Indian Rupees		5%		5%		5%		5%		5%		5%
Effect on Profit before Tax		9.94		29.94		-		22.40		28.14		(0.44)
Appreciation in Indian Rupees		5%		5%		5%		5%		5%		5%
Effect on Profit before Tax		(9.94)		(29.94)		-		(22.40)		(28.14)		0.44

Total hedged foreign currency payable - USD 7.44 million equivalent to Rs. 635.81 Million (Previous year - USD 1.28 million equivalent to Rs. 106.35 Million).

(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:

	31 st March 2025		31 st March 2024	
Consumption of Methanol	3449.32		3291.47	
Price change	+ 5%	-5%	+ 5%	-5%
Effect on Profit before Tax	(172.47)	172.47	(164.57)	164.57

(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.

	31 st March 2025		31 st March 2024	
Investment	139.60		158.10	
Price change	+ 5%	-5%	+ 5%	-5%
Effect on Profit before Tax	6.98	(6.98)	7.91	(7.91)

(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 group 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 Group 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, 2025					
Borrowings (refer note 17)	2,504.96	2,386.95	1,086.02	5,977.93	5,941.19
Trade payable (refer note 22)	2,280.41	-	-	2,280.41	2,280.41
Lease Liability (refer note 18)	1.10	4.40	24.19	29.69	10.16
Other financial liabilities (refer note 19)	432.48	0.23	-	432.71	432.71
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	0.21	-	357.06	357.06

43: Capital Management

The Group being in a capital intensive industry, its objective is to maintain a strong credit rating, healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Group's capital requirement is mainly to fund its capacity expansion, repayment of principal and interest on its borrowings and strategic acquisitions. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the capital markets. The Company is not subject to any externally imposed capital requirements.

The Group regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and elongate the maturity of its debt portfolio, and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

The Group monitors its capital using gearing ratio, which is net debt, divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in million)

	31 st March 2025	31 st March 2024
Long Term Borrowings	4,066.88	3,430.01
Short Term Borrowings	1,874.31	1,637.21
Less: Cash and Cash Equivalents	(80.91)	(112.22)
Net Debt	5,860.28	4,955.00
Total Equity	5,103.63	6,176.04
Gearing Ratio	1.15	0.80

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 (Retired w.e.f. 04.09.2024)	
5. Mr. H.K. Khaitan - Director	
6. Mr. Sidharth K. Birla - Director	
7. Mr. A. Vellayan - Director (Retired w.e.f. 04.09.2024)	
8. Mrs. M. Kanoria - Director	
9. Mrs. Suhana Murshed - Director	
10. Mrs. Meeta Makhan - Director (Appointed w.e.f. 04.09.2024)	
11. Mr. Sumanta Chaudhuri - Director (Appointed w.e.f. 04.09.2024)	
12. Mr. A. V. Kanoria	Close Family Members of KMP
13. Mrs. V. Kanoria	
14. KPL International Limited	Enterprise over which KMP exercises significant influence
15. Kirtivardhan Finvest Services Limited	
16. R V Investment & Dealers Limited	
17. Fytomax Nutrition Pvt Ltd	
18. Cosyst Holding AG	
19. Kanoria Employees' Provident Fund Trust	Post Employment Benefit Plan entity

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(ii) Transaction with related parties:

(Rs. in million)

Nature of Transaction	2024-2025				2023-2024			
	Holding Company	KMP/Close family members of KMP	Enterprise over which KMP exercises significant influence	Post Employment Benefit Plan entity	Holding Company	KMP/Close family members of KMP	Enterprise over which KMP exercises significant influence	Post Employment Benefit Plan entity
Director sitting Fees								
Mr. Amitav Kothari	-	0.14	-	-	-	0.36	-	-
Mr. H.K. Khaitan	-	0.31	-	-	-	0.42	-	-
Mr. Sidharth K Birla	-	0.28	-	-	-	0.39	-	-
Mr. A. Vellayan	-	0.14	-	-	-	0.27	-	-
Mrs. M. Kanoria	-	0.21	-	-	-	0.26	-	-
Mrs. Suhana Murshed	-	0.25	-	-	-	0.25	-	-
Mrs. Meeta Makhan	-	0.18	-	-	-	-	-	-
Mr. Sumanta Chaudhuri	-	0.07	-	-	-	-	-	-
Remuneration								
Mr. R. V. Kanoria	-	31.50	-	-	-	0.58	-	-
Mr. S. V. Kanoria	-	19.51	-	-	-	17.69	-	-
Mr. A. V. Kanoria	-	25.27	-	-	-	24.80	-	-
Borrowings								
Mr. A. V. Kanoria	-	-	-	-	-	92.41	-	-
Vardhan Limited	85.00	-	-	-	145.00	-	-	-
R V Investment & Dealers Limited	-	-	125.00	-	-	-	70.00	-
Cosyst Holding AG	-	-	679.81	-	-	-	92.41	-
Repayment of Borrowings								
Mr. A. V. Kanoria	-	97.99	-	-	-	-	-	-
Vardhan Limited	-	-	-	-	145.00	-	-	-
R V Investment & Dealers Limited	-	-	125.00	-	-	-	70.00	-
Interest Expenses for the year								
Mr. A. V. Kanoria	-	2.82	-	-	-	0.15	-	-
Vardhan Limited	17.79	-	-	-	12.41	-	-	-
R V Investment & Dealers Limited	-	-	6.06	-	-	-	0.53	-
Cosyst Holding AG	-	-	9.33	-	-	-	0.90	-
Purchases of Raw Material								
KPL International Limited	-	-	357.81	-	-	-	217.06	-
Purchases of PPE								
KPL International Limited	-	-	0.17	-	-	-	127.55	-
Purchases of Spare Parts								
KPL International Limited	-	-	-	-	-	-	4.28	-
Purchases of Services								
KPL International Limited	-	-	1.60	-	-	-	-	-
Commission Paid								
KPL International Limited	-	-	3.85	-	-	-	2.24	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in million)

Nature of Transaction	2024-2025				2023-2024			
	Holding Company	KMP/Close family members of KMP	Enterprise over which KMP exercises significant influence	Post Employment Benefit Plan entity	Holding Company	KMP/Close family members of KMP	Enterprise over which KMP exercises significant influence	Post Employment Benefit Plan entity
Rent Income								
KPL International Limited	-	-	1.20	-	-	-	1.20	-
Fytomax Nutrition Pvt Ltd	-	-	0.50	-	-	-	0.05	-
Sale of Plant & Equipment								
Fytomax Nutrition Pvt Ltd	-	-	-	-	-	-	45.00	-
Sale of Intangible Assets under Development								
Fytomax Nutrition Pvt Ltd	-	-	-	-	-	-	15.00	-
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	-	-	-	7.98	-	-	-	4.39
Balances as at 31st March								
Remuneration Payable								
Mr. R. V. Kanoria	-	0.16	-	-	-	0.17	-	-
Mr. S. V. Kanoria	-	0.14	-	-	-	0.16	-	-
Borrowings								
Mr. A. V. Kanoria	-	-	-	-	-	92.41	-	-
Vardhan Limited	210.00	-	-	-	125.00	-	-	-
Cosyst Holding AG	-	-	776.97	-	-	-	92.41	-
Creditor								
KPL International Limited	-	-	131.62	-	-	-	88.79	-
Interest Payable								
Mr. A. V. Kanoria	-	-	-	-	-	0.15	-	-
Cosyst Holding AG	-	-	3.39	-	-	-	0.89	-
Rent Receivable								
Fytomax Nutrition Pvt Ltd	-	-	0.04	-	-	-	0.00	-

The remuneration of Key Management Personnel (KMP) during the year was as follows:

Particulars	2024-2025	2023-2024
Short-term benefits	76.28	43.07
Post-employment benefits [#]	-	-
Total	76.28	43.07

[#] As the liabilities for gratuity and compensated absences are provided on actuarial basis for the Company as a whole, the amounts pertaining to KMP are not included.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

45: The parent company does not have any transactions with companies which are struck off except the following:

Name of the Company	Nature of transaction	As at 31 st March 2025 (Amount in Rs.)	As at 31 st March 2024 (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, 2025 and as at 31st March, 2024 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 parent company 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 parent company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- 49.** The parent 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.
- 50.** The parent 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.
- 51.** The parent 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.
- 52.** The parent 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, 2025 and 31st March, 2024 in the tax assessments under the Income Tax Act, 1961.
- 53.** The parent company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 54.** The parent company has not been declared wilful defaulter by any bank or financial Institution or other lender.

Signature to Note 1 to 54

As per our report of even date annexed

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

RAHUL BOTHRA
Partner
Membership No. 067330

Place: New Delhi
Date: 21st May, 2025

For and on behalf of the Board

SIDHARTH K. BIRLA
Director
(DIN:00004213)

N. K. NOLKHA
Group Chief Financial Officer

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

PRATIBHA JAISWAL
Company Secretary
(ACS: 33981)

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, 2025, 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	EURO
Exchange Rate as on 31.3.2025	Rs. 85.4585	Rs. 92.2511
(a) Equity Share Capital	2,309.09	48.99
(b) Other Equity	(1,658.70)	(125.58)
(c) Total Assets	3,280.44	5,265.16
(d) Total Liabilities	2,630.05	5,341.75
(e) Turnover	760.10	7,824.02
(f) Profit before Taxation	(311.52)	(541.98)
(g) Provision for Taxation	-	3.59
(h) Profit after Taxation	(311.52)	(545.57)
(i) Other comprehensive income for the year (net of tax)	-	(15.17)
(j) Total comprehensive income for the year	(311.52)	(560.74)
(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

PRATIBHA JAISWAL
Company Secretary
(ACS: 33981)

Place: New Delhi
Date: 21st May, 2025



Kanorja Chemicals
& Industries Limited

Registered Office

Kanoria Chemicals & Industries Limited
'KCI Plaza', 6th Floor, 23-C,
Ashutosh Chowdhury Avenue, Kolkata - 700 019
Tel: +91-33-40313200
Email: info@kanoriachem.com

www.kanoriachem.com

