



KBK CHEM-ENGINEERING PVT. LTD.

Sustainable Renewable Energy Solutions
(A Group Company of Shree Renuka Sugars Ltd.)
CIN No. : U74210PN1997PTC111151 | GST No : 27AAACK6827G1ZH



**KBK CHEM-ENGINEERING PRIVATE LIMITED
BOARD'S REPORT FOR FINANCIAL YEAR 2023-24**

To,
The Members
KBK CHEM-ENGINEERING PRIVATE LIMITED

The Board of Directors of KBK Chem-Engineering Private Limited ("the Company/KBK") are pleased to present the twenty-eight Annual Report of the Company together with the Audited Financial Statements for the Financial Year ended 31st March 2024.

FINANCIAL RESULTS AND HIGHLIGHTS

(Amount in INR Mn)

Particulars	Year Ended 31.03.2024	Year Ended 31.03.2023
Income including other income	2,469.71	4,638.82
Profit/(Loss) before financial expenses and depreciation	83.89	229.96
Less:		
Depreciation and Amortization	9.88	8.62
Financial Expenses	87.79	85.79
Profit/(Loss) before provision for tax	(13.78)	135.55
Income Tax	0	24.84
Deferred tax (Liability)/Asset	152.13	11.37
Net Profit/ (Loss) for the Year	(165.91)	99.34

OPERATING HIGHLIGHTS

Your company has generated a revenue of INR 2,469.71 million for the year ended 31st March 2024 as against INR 4,638.82 Mn for the previous year. The company has incurred a loss of INR 165.91 million for the financial year ended 31st March 2024 compared to the profit of INR 99.34 million for the previous year. There was no change in the nature of business of the Company during the year under review.

DIVIDEND

As the Company has incurred loss, your Directors have not recommend any dividend for the financial year ended 31st March 2024.

TRANSFER TO RESERVES

In view of the losses incurred, no amount has been transferred to the reserves for the Financial Year ended 31st March 2024.



DISCLOSURES UNDER SECTION 134(3)(I) OF THE COMPANIES ACT, 2013

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the financial year ended 31st March 2024 and date of this report.

MATERIAL EVENTS DURING THE YEAR UNDER REVIEW

Capital Reduction of the Company

The Mumbai bench of National Company Law Tribunal (NCLT), on 23rd February 2024 approved capital reduction petition filed by the Company on 14th March 2023 for reducing an amount of INR 1,088.55 Mn. out of the Securities Premium Account as on 31st December 2022, for writing off equivalent amount of deficit in the statement of Profit and Loss Account of the Company as on the date. The Company has complied with all directions given by the NCLT in the said order.

DEPOSITS

Your Company has neither accepted nor renewed any deposits falling within the provisions of Section 73 and 76 of the Companies Act, 2013 ("the Act") read with the Companies (Acceptance of Deposits) Rules, 2014 from its members and public during the financial year.

HOLDING AND SUBSIDIARY COMPANY

Your Company continues to be a wholly subsidiary company of Shree Renuka Sugars Limited. As on 31st March 2024 the Company does not have any subsidiary, associate company or joint venture.

No Company has ceased to be or became the Company's Subsidiary, Joint Venture or Associate during Financial Year 2023-24.

SHARE CAPITAL

The Authorised Capital of the Company is Rs. 4,00,00,000 divided into 4,00,000 equity shares of INR 100/- each. As on 31st March 2024, the issued, subscribed and paid-up share capital of your Company stood at INR 399,77,100 comprising of 399,771 Equity shares of INR 100/- each.

During the year under review, the Company has neither issued any shares or shares with differential voting rights nor granted stock options or sweat equity.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors of the Company is duly constituted in accordance with the Act and rules made thereunder. None of the Directors are disqualified from being appointed as such under the provision of Section 164 of the Companies Act, 2013.



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In accordance with the provisions of Section 152 of the Act, Mr. Atul Chaturvedi (DIN: 00175355), Director of the Company, retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

During the year under review, Ms. Priyanka Mallick (DIN: 06682955) was appointed as an Additional Director of the Company with effect from 10th August 2023 to hold office till the date of AGM. Subsequently, the members at the Annual General Meeting ('AGM') held on 29th September 2023, ratified her appointment to hold office as Director of the Company.

The Board of Directors at its meeting held on 10th August 2023 approved the change in designation of Mr. Vijendra Singh from Managing Director to Whole-Time Director of the Company. Subsequently, the members at the Extra ordinary General Meeting ('EGM') held on 6th October 2023, approved change in designation of Mr. Singh from Managing Director to Whole-Time Director with effect from 6th October 2023.

As per Rule 4 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, being a Wholly Owned Subsidiary, the Company is exempted from the appointment of the Independent Directors in its Board and accordingly constitution of Audit and Nomination and Remuneration Committee in accordance with Section 177 and 178 of the Act is not applicable. The Company is also not required to constitute a Stakeholder Relationship Committee in accordance with Section 178(5) of the Act.

MEETINGS OF THE BOARD

During the year under review, the Board of Directors duly met five times in accordance with the provisions of the Act and rules made there under. The meetings were held on 24th May 2023, 10th August 2023, 20th October 2023, 6th November 2023, 6th February 2024.

VIGIL MECHANISM/WHISTLE BLOWER

The Company has established vigil mechanism and adopted vigil mechanism policy for its Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The mechanism provides adequate safeguards against victimization of persons who use such mechanism.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act 2013, your Directors state that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;



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- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis; and
- (e) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS AND AUDITORS' REPORT

a. Statutory Auditor

As per the provisions of Section 139 of Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, your Company's statutory auditors M/s. K N Prabhashankar & Co. (Formerly M/s. Ashok Kumar, Prabhashankar and Co.), Chartered Accountants, Bangalore (Registration No. 004982S) were appointed as Statutory Auditors of the Company at 24th AGM held on 4th September 2020, for a term of 5 consecutive years to hold office from the conclusion of 24th AGM till the conclusion of 29th AGM. In accordance with Section 40 of the Companies (Amendment) Act, 2017, the appointment of Statutory Auditors is not required to be ratified at every AGM. Thus, M/s. K N Prabhashankar & Co. will continue to hold office till the conclusion of 29th AGM.

The Auditors' Report to the Members on the Accounts of the Company for the year ended 31st March 2024 does not contain any qualification or adverse remark.

As per Section 143(12) of the Companies Act, 2013 no fraud has been reported by the auditor for the financial year ended 31st March 2024.

b. Cost Auditor

The Board of Directors had appointed M/s. B. M. Sharma & Co, Cost Accountants, as the Cost Auditor to audit the cost records for the financial year ending 31st March 2025. Remuneration payable to the Cost Auditor is subject to ratification by the members of the Company. Accordingly, a resolution seeking Members' ratification for the remuneration payable to M/s. B. M. Sharma & Co, Cost Accountants, forms part of Notice of ensuing AGM of the Company, along with relevant details, including the proposed remuneration.

In terms of Section 148 of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, it is stated that the cost accounts and records are made and maintained by the Company as specified by the Central Government under sub-section (1) of Section 148 of the Act.

The Cost Auditors' Report to the Members on the Accounts of the Company for the year ended 31st March 2024 does not contain any qualification or adverse remark.

As per Section 143(12) of the Companies Act, 2013 no fraud has been reported by the auditor for the financial year ended 31st March 2024.



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c. Secretarial Auditor

Pursuant to the provisions of the Section 204 of the Act and the Rules thereunder the Board of Directors at its meeting held on 10th August 2023 appointed CS Neha Marathe of M/s. NAM & Associates, Practicing Company Secretaries, (Membership No. 11767 and COP No. 17539), as the Secretarial Auditor of the Company for conducting Secretarial Audit for the Financial Year 2023-24. The Secretarial Audit Report does not contain any observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

The Secretarial Audit Report in Form MR-3 is appended as **Annexure I** and forms part of this Report.

As per Section 143(12) of the Companies Act, 2013 no fraud has been reported by the auditor for the financial year ended 31st March 2024.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

During the year under review, the Company has not given any loans, guarantees or provided any securities or made any investments.

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

Since there was no substantial conservation of energy or technology absorption by the Company during the year under review, information required pursuant to the Companies Act, 2013 and the rules framed thereunder relating to conservation of energy, technology absorption are not given in the Board's Report. During the year under review, the foreign exchange earnings were INR 325 Mn and foreign exchange outgo was INR 31.88 Mn.

STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal.

PARTICULARS OF EMPLOYEES

Disclosures with respect to the remuneration of Directors and employees as required under the provisions of Section 197 of Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given as **Annexure II** which forms a part this Report. In terms of Section 136(1) of the Act, the Annual Report and the financial statements are being sent to the Members of the Company excluding the aforesaid Annexure which is available for inspection at the request of any Member.



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COMPANY'S POLICY RELATING TO DIRECTORS' APPOINTMENT, PAYMENT OF REMMUNERATION AND DISCHARGE OF THEIR DUTIES

The provisions of Section 178(1) relating to Constitution of Nomination and Remuneration Committee are not applicable to the Company and hence the Company has not devised any policy relating to appointment of directors, Payment of Managerial Remuneration, Directors Qualifications, Positive attributes, Independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

CORPORATE SOCIAL RESPONSIBILITY

Your Company is committed to Corporate Social Responsibility (CSR) by catering to the needs of the weaker sections of society. Since the formation of the CSR Committee is not applicable to the Company, the Board of Directors oversee the CSR activities of the Company.

The CSR Policy of the Company can be accessed at the Company's website <https://kbk-chem.com/downloads.html>.

The report on the CSR activities is provided at **Annexure III** to the Board's Report.

EXTRACT OF ANNUAL RETURN

In terms of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules 2014, the Annual Return of the Company is available on the website of the company at <https://kbk-chem.com/downloads.html>.

INTERNAL FINANCIAL CONTROLS

The Company's internal control systems with reference to the financial statements are adequate and commensurate with the nature of its business and the size and complexity of its operations. Periodic audits and checks are conducted and the controls to prevent, detect and correct any irregularities in the operations have been laid down by the Company.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During the year, the Company had not entered into any contract, arrangement or transaction with related parties under the provisions of the Act that are material in nature or not in the ordinary course of business and not at arms' length basis. Hence, disclosure under AOC-2 is not applicable. The details of related party transactions, if any, are set out in the notes to the financial statements.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder, your Company has constituted Internal Complaints Committees. During the year, there were no complaints received by the Company under the said Act.



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HUMAN RESOURCES (HR)

The Company's HR policies and procedures are designed to recruit and retain the best talent to support the operations of your Company and to align the interest of employees with the long-term organizational goals.

THE DETAILS OR SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

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.

THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

During the period under review, neither any application was initiated, nor any proceeding was pending against the Company under the Insolvency and Bankruptcy Code, 2016.

THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

During the year, the Company has not come across any event of One Time Settlement or taking loans from the Banks of Financial Institutions where Valuation was required to be done.

COMPLIANCE WITH SECRETARIAL STANDARDS

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

ACKNOWLEDGEMENTS

The Board wishes to place on record its gratitude for the assistance and co-operation received from the Financial Institutions, Banks, Government Authorities, Customers, Vendors, and finally to its members for the trust and confidence reposed on the Company. The Board further wishes to record its sincere appreciation for the significant contributions made by employees at all levels for their competence, dedication and contribution towards the operations of the Company.

For and on behalf of the Board of Directors of
KBK Chem-Engineering Private Limited

Date: 31st July 2024
Place: Mumbai


Vijendra Singh
Whole-Time Director
DIN: 03537522


Sunil Kadam
Director
DIN: 00212461



Annexure III
Annual Report on Corporate Social Responsibility ("CSR") Activities
(Pursuant to Section 135 of the Companies Act, 2013 "(the Act)" read with the Companies (Corporate Social Responsibility Policy) Rules, 2014)

1. Brief outline of the CSR Policy of the Company.

The CSR Policy of the Company covers the proposed CSR activities in line with Section 135 of the Companies Act, 2013 and the Schedule VII thereto. The CSR Policy of the Company may be accessed on the Company's website at the link <https://kbk-chem.com/downloads.html>.

Pursuant to Section 135(1) of the Act, the constitution of CSR Committee is not applicable to the Company. Hence, the functions of CSR Committee were discharged by the Board of Directors during the year under review.

2. Composition of CSR Committee:

Pursuant to Section 135(1) of the Act, the constitution of CSR committee is not applicable to the Company.

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

The CSR Policy and CSR Projects is displayed on company's website at <https://kbk-chem.com/>.

4. 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.

The provisions of Rule 8 sub-rule (3) are not applicable to the Company.

5. (a) Average net profit of the company as per section 135(5): Rs. 10,19,15,863

(b) Two percent of average net profit of the company as per section 135(5): Rs. 20,38,317

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:
Nil

(d) Amount required to be set off for the financial year, if any: Rs. 98,317

(e) Total CSR obligation for the financial year (5b+5c-5d): Rs. 19,40,000

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):
Rs. 20,38,317

(b) Amount spent in Administrative Overheads: Not applicable

(c) Amount spent on Impact Assessment, if applicable: Not applicable

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: Rs. 20,38,317

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (INR)	Amount Unspent (in Rs.)				
	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.	Date of transfer.	Name of the Fund	Amount. (INR in Mn)	Date of transfer.
20,38,317 (inclusive of set off taken from the excess spending in the previous financial years)	-	-	-	-	-

(f) Excess amount for set off, if any:

Sl. No.	Particular	Amount (INR in Mn)
(i)	Two percent of average net profit of the company as per section 135(5)	20,38,317
(ii)	Total amount spent for the Financial Year	20,38,317 (inclusive of set off taken from the excess spending in the previous financial years)
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
Not applicable							



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8. Whether any capital assets have been credited or acquired through CSR 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 section 135(5): Not applicable

Date: 31st July 2024
Place: Mumbai

Vijendra Singh
Whole Time Director
DIN: 03537522

Sunil Kadam
Director
DIN: 00212461

INDEPENDENT AUDITORS' REPORT

To the Members of
KBK CHEM-ENGINEERING PVT LTD

Opinion

We have audited the Ind AS financial statements of **KBK CHEM-ENGINEERING PVT LTD** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss, 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 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

- 1) Recoverability of Deferred Tax Assets: The Management has recognised Deferred Tax Assets on Unabsorbed business losses to the extent that there is reasonable certainty that such deferred tax assets can be realised against future taxable profits as per the management forecast of the future business projections.

We have reviewed the evaluation process of the management of the business projections with the underlying assumptions and judgements in arriving at the future taxable profits and found it to be satisfactory in recognising the deferred tax assets on unabsorbed business losses.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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.

Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government 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, to the extent applicable.
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 were 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 appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "***Annexure B***"; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, no remuneration was paid by the Company to its directors during the year and
 - (h) With respect to the other matters to be included in the Auditors' 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 have disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 31(iii) to the 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared/paid any dividend during the year.
- vi. The Company has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

Place: Bengaluru
Date: May 27, 2024

For **K N Prabhaskar & Co.,**
Chartered Accountants
Firm Regn No. 004982S
PRABHASHANKA Digitally signed
by
SHANKA PRABHASHANKA
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Date: 2024.05.27
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K. N. Prabhaskar
Partner
Membership No. 019575
UDIN: 24019575BKFDJT2223

Annexure 'A' to the Auditors' Report

The Annexure referred to in our report to the members of KBK Chem-Engineering Private Limited for the year ended March 31, 2024. We report that:

- I
- a) A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
B) The Company has maintained proper records showing full particulars of Intangible Assets.
 - b) According to the information and explanations given to us, Property, Plant and Equipment have been physically verified by the management periodically during the year which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
 - d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and Intangible assets during the year.
 - e) According to the information and explanations given to us, there are no proceedings which has been initiated or pending against the Company for holding any benami property under Benami Transactions (Prohibition) Act, 1988. Hence, reporting whether the Company has appropriately disclosed in the financial statements or not does not arise.
- ii)
- a) With regard to inventory, physical verification has been conducted by the management at reasonable intervals and no significant material discrepancies were noticed on the physical verification of stocks and the differences between the book stocks and the physical stocks have been properly dealt with in the books of account.
 - b) The Company has been sanctioned working capital limits in excess of five crores rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements filed by the company with the banks or financial institutions are in agreement with the books of account of the Company.
- iii)
- The Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties. Hence, further reporting under the sub-clauses (a) to (f) does not apply.
- iv)
- The Company has no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report under this clause of the Order is not applicable.
- v)
- The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report under this clause of the Order is not applicable.
- vi)
- The Central Government has prescribed maintenance of cost records u/s. 148(1) of the Companies Act, 2013 for the business activity carried out by the Company. We have broadly reviewed these records of the company and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of such records.
- vii)
- a) According to the information and explanations given and as per books and records examined by us, the Company is regular in depositing the undisputed statutory dues payable including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues and there are no such dues payable to the appropriate authorities outstanding as at March 31, 2024 for a period exceeding six months from the date they became payable.

- b) According to the information and explanations given to us and as per the records examined by us, there are no disputed amounts in respect of such statutory dues referred to in sub-clause (a) above as at March 31, 2024 except the following:

Sl No	Name of the Statute	Nature of Dues	Amount (Rs in Mn)	Period	Forum where Dispute is pending
1	Central Excise Act 1944		236.55	January 2007 to December 2010	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
			14.75	January 2011 to November 2011	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
			1.98	July 2012 to May 2013	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
			0.52	June 2013 To December 2013	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
			0.03	January 2014 to June 2014	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
			1.70	July 2014 to December 2014	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
			20.05	January 2015 to December 2015	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
			1.95	January 2016 to June 2016	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
2	The Maharashtra Value Added Tax Act, 2002	Sales Tax	6.29	2006-07	Sales Tax - Joint Commissioner Pune
			0.54	2010-11	Sales Tax - Joint Commissioner Pune
			0.87	2014-15	Sales Tax - Joint Commissioner Pune
			5.47	2016-17	Sales Tax - Joint Commissioner Pune
3	Employees Provident Funds & Miscellaneous Provisions Act, 1952	Provident Fund	2.62	2010-12	The central govt. Industrial tribunal no. at Mumbai
4	Income Tax Act, 1961	Income Tax	1.51	F.Y.2008-09	Dy Commissioner Income-Tax Appellate Tribunal Pune Versus Cir 11(1) Pune
5	Income Tax Act, 1961	Income Tax	5.85	F.Y.2009-10	Cir 11(1) Pune
6	Income Tax Act, 1961	TDS	1.03	FY.2007-08 to 2021-22	TDS Circle 14, Pune
	Grand Total		301.71		

- viii) As per the information and explanations given to us and as per the records examined by us, there are no such transactions which are not recorded in the books of account and which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

- ix) a) As per the information and explanations given to us and on the basis of our examination of books and records, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to the banks.
- b) As per the information and explanations given to us, the Company is not a declared wilful defaulter by any bank or financial institution or other lender.
- c) The Company has term loans which were utilised for the purpose for which they were raised.
- d) The Company has not raised any funds on short term basis during the year. Hence reporting under this clause of utilisation for long term purpose does not arise.
- e) The company has no subsidiaries, associates or joint ventures, hence reporting under this sub clause does not arise.
- f) The company has no subsidiaries, associates or joint ventures, hence reporting under this sub clause does not arise.
- x) a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, reporting on the clause with regard to application of such funds does not arise.
- b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Hence, reporting on the compliance under Section 42 and Section 62 of the Companies Act, 2013 does not arise.
- xi) a) As per information and explanations given to us and on the basis of our examinations of books and records, there were no frauds by the Company or on the Company that has been noticed or reported during the year.
- b) As there were no frauds noticed or reported during the year, filing of report under sub-section (12) of section 143 of the Companies Act by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government does not arise.
- c) As per information and explanations given to us and on the basis of our examinations of books and records, there were no whistle-blower complaints received during the year by the company.
- xii) The Company is not a Nidhi Company, hence reporting under this clause does not apply.
- xiii) As per information and explanations given to us and on the basis of our examinations of books and records, all the transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv) a) The Company has an Internal Audit system which is commensurate with the size and nature of its business.
- b) The reports of the Internal Auditor for the period under audit has been considered.
- xv) The Company has not entered into any non-cash transactions with directors or persons connected with them and hence reporting on this clause is not applicable.
- xvi) a) The Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Further, reporting on sub clause (b) to (d) does not apply.
- xvii) The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors during the year.

- xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, as per our knowledge of the Board of Directors and management plans, we are of the opinion no material uncertainty exists as on the date of the audit report that company may not be 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.
- xx) a) In respect of other than ongoing projects, the Company has not transferred the unspent Corporate Social Responsibility (CSR) amount as at the Balance Sheet date out of the amounts that was required to be spent during the year, to a Special Account in compliance with the provision of sub-section (5) of section 135 of the said Act till the date of our report since the time period for such transfer i.e. 6 months from the end of the financial year has not elapsed till the date of our report.
- b) The Company did not have any ongoing projects at the end of financial year and hence reporting whether, in respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the financial year, to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Act does not arise.
- xxi) Being reporting on Standalone Company, this clause does not apply.

Camp: Bengaluru
Date: May 27, 2024

For **K N Prabhashankar & Co.,**
Chartered Accountants
Firm Regn No: 004982S
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HANKAR PRABHASHANKAR
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Date: 2024.05.27
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K. N. Prabhashankar
Partner
Membership No: 019575
UDIN: 24019575BKFDJT2223

Annexure ‘B’ to the Auditors’ Report

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

We have audited the internal financial controls over financial reporting of **KBK Chem-Engineering Private Limited** (“the Company”) as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘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 company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

Camp: Bengaluru
Date: May 27, 2024

For **K N Prabhashankar & Co.,**
Chartered Accountants
Firm Regn No: 004982S
PRABHA
SHANKA
R K N
K. N. Prabhashankar
Partner
Membership No: 019575
UDIN: 24019575BKFD TJ2223

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Date: 2024.05.27
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KBK CHEM ENGINEERING PRIVATE LIMITED
Gate No -540, Urwade Road, Kasar Amboli, Tal.Mulshi, Pirangut Pune, - 412111
Balance Sheet as at March 31, 2024

All amounts in million Indian Rupees, unless otherwise stated

	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, Plant and Equipment (including right to use assets)	2	118.64	114.88
Capital work-in-progress		0.02	5.27
Intangible Assets	3	-	-
Financial Assets			
Investments		-	-
Loans		-	-
Other non-current financial assets	4	1.72	36.98
Non-current tax assets		5.99	2.55
Other non-current assets	5	7.41	7.62
Deferred Tax Assets (Net)	15	76.29	228.67
Total non-current assets		210.07	395.97
Current assets			
Inventories	6	61.14	138.77
Financial Assets			
Trade Receivables	7	774.45	907.22
Cash And Cash Equivalents	8	0.54	106.77
Other Bank balances	9	52.45	7.89
Other Current Assets	10	421.99	649.95
Total current assets		1,310.57	1,810.60
Total Assets		1,520.64	2,206.57
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11a	39.98	39.98
Other Equity	11b	(99.44)	65.75
Total Equity		(59.46)	105.73
Non-Current Liabilities			
Financial Liabilities			
Borrowings	12	693.05	600.00
Lease liabilities	13	-	3.33
Net employee benefit liabilities	14	2.23	2.99
Non-current tax liabilities		3.93	17.56
Deferred Tax Liabilities (Net)	15	-	-
Total non-current liabilities		699.21	623.88
Current Liabilities			
Financial Liabilities			
Borrowings	16	77.37	61.34
Lease liabilities	13	3.29	2.25
Trade Payables	17		
- Total outstanding dues of micro and small enterprises		32.77	18.06
- Total outstanding dues of creditors other than micro and small enterprises		223.26	203.99
Other current financial liabilities	18	1.48	4.63
Net employee benefit liabilities	19	2.94	6.26
Other Current Liabilities	20	539.79	1,180.43
Total current liabilities		880.89	1,476.96
Total liabilities		1,580.10	2,100.84
Total Equity and Liabilities		1,520.64	2,206.57

Accompanying notes 1 to 40 form integral part of these financial statements

To be read with our report of even date

For K N Prabhaskar & Co.

Chartered Accountants

Firm Regn.No. 0049826
PRABHASHANKAR K

ANKAR K N
K.N. Prabhaskar

Partner

Membership No.019575

Place : Mumbai
Date : 27-05-2024

For and on behalf of the Board of directors of

KBK Chem Engineering Pvt. Ltd.

Vijendra Singh

Vijendra Singh
Whole-time Director
DIN : 03537522

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by Vijendra Singh
Date: 2024.05.27
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Sunil Sakharam Kadam

Sunil Kadam
Director
DIN : 00212461

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Sunil Sakharam
Kadam
Date: 2024.05.27
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KBK CHEM ENGINEERING PRIVATE LIMITED
Gate No -540, Urwade Road, Kasar Amboli, Tal.Mulshi, Pirangut Pune, - 412111
Statement of Profit & Loss for the year ended March 31, 2024

All amounts in million Indian Rupees, unless otherwise stated

	Notes	Year ended 31st March 2024	Year ended 31st March, 2023
Revenue from Operations	21	2,448.99	4,599.39
Other Income	22	20.72	39.43
Total Income		2,469.71	4,638.82
Expenses			
Cost of Materials Consumed	23	1,526.42	2,587.79
Changes In Inventories of Finished Goods, Work-In-Progress & Stock in Trade	24	-	263.58
Employee Benefit Expenses	25	70.83	66.66
Finance Costs	26	87.79	85.79
Depreciation and Amortisation Expenses	27	9.88	8.62
Foreign exchange (gain)/ loss (net)		3.66	(16.56)
Other Expenses	28	784.91	1,507.39
Total Expenses		2,483.49	4,503.27
Profit/(Loss) Before Exceptional Items and Tax		(13.78)	135.55
Extraordinary Items		-	-
Profit/(Loss) Before Tax		(13.78)	135.55
Tax Expenses:			
Current Tax	29	-	24.84
Deferred Tax		152.13	11.37
Income tax expense		152.13	36.21
Profit/(Loss) for the period		(165.91)	99.34
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of the net defined benefit liability / asset		0.97	1.45
Income tax effect		(0.25)	(0.38)
Revaluation reserve on assets		-	-
Income tax effect		-	-
Reversal of revaluation reserve on disposal of asset / impairment of plant property and equipment (net of tax)		-	(0.85)
Income tax effect		-	0.23
Total comprehensive income for the period		(165.19)	99.79
Earnings Per Share:	30		
Basic (in Rs.)		(415.01)	348.92
Diluted (in Rs.)		(415.01)	348.92
(Nominal value of shares Rs 100 each)			

Accompanying notes 1 to 40 form integral part of these financial statements

To be read with our report of even date

For **K N Prabhaskar & Co.**

Chartered Accountants

Firm Regn.No : 0049825
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PRABHASHANKA R K N
Date: 2024.05.27
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K.N. Prabhaskar

Partner

Membership No.019575

Place : Mumbai

Date : 27-05-2024

For and on behalf of the Board of directors of

KBK Chem Engineering Pvt. Ltd.

Vijendra Singh
Digitally signed by Vijendra Singh
Date: 2024.05.27
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Vijendra Singh
Whole-time Director
DIN : 03537522

Sunil Sakharam Kadam
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Date: 2024.05.27
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Sunil Kadam
Director
DIN : 00212461

KBK CHEM ENGINEERING PRIVATE LIMITED**Statement of change in equity for the year ended March 31, 2024**

All amounts in million Indian Rupees, unless otherwise stated

a. Equity share capital as at 31st March 2023

	No of shares	Amount
As at 1st April 2022	1,69,143	16.92
Equity shares issued during the year	2,30,628	23.07
As at 31st March 2023	3,99,771	39.98

Equity share capital as at 31st March 2024

	No of shares	Amount
As at 1st April 2023	3,99,771	39.98
Equity shares issued during the year	-	-
As at March 31, 2024	3,99,771	39.98

b. Other Equity

	Reserves and Surplus		Items of OCI	Total
	Share Premium	Retained Earnings	Revaluation Reserve	
As at March 31, 2022	362.82	(1,173.79)	49.99	(760.99)
Profit for the year	-	-	-	-
	-	99.36	-	99.36
Other Comprehensive Income	-	-	-	-
	-	-	0.44	0.44
Share Premium on equity share issue	726.94	-	-	726.94
Depreciation on revalued assets	-	-	-	-
	-	1.02	(1.02)	-
	-	-	-	-
As at March 31, 2023	1,089.76	(1,073.41)	49.41	65.75
Profit for the year	-	(165.91)	-	(165.91)
Other Comprehensive Income	-	-	0.72	0.72
Share Premium on equity share issue	-	-	-	-
Depreciation on revalued assets	-	0.98	(0.98)	-
Transfer - Effect of NCLT order	(1,088.55)	1,088.55	-	-
As at March 31, 2024	1.22	(149.80)	49.14	(99.44)

Accompanying notes 1 to 40 form integral part of these financial statements

To be read with our report of even date

For K N Prabhaskankar & Co.

Chartered Accountants

Firm Regn.No : 004982S

PRABHASHANKAR K N

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PRABHASHANKAR
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Date: 2024.05.27
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K.N. Prabhaskankar

Partner

Membership No.019575

Place : Mumbai

Date : 27-05-2024

For and on behalf of the Board of directors of

KBK Chem Engineering Private Limited

Vijendra Singh

Digitally signed
by Vijendra Singh
Date: 2024.05.27
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Vijendra Singh

Whole-time Director

DIN : 03537522

Sunil Sakharam Kadam

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Sunil Sakharam
Kadam
Date: 2024.05.27
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Sunil Kadam

Director

DIN : 00212461

KBK CHEM ENGINEERING PRIVATE LIMITED
Gate No -540, Urwade Road, Kasar Amboli, Tal.Mulshi, Pirangut Pune, - 412111
Cash Flow Statement for the year ended Mar 31, 2024

All amounts in million Indian Rupees, unless otherwise stated

	As at March 31, 2024	As at March 31, 2023
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before Tax	(13.79)	135.58
Adjustments to reconcile profit before tax to net cash provided by operating		
Depreciation and Amortisation Expenses	9.89	8.62
Finance Costs	87.80	85.79
Loss/(Profit) on Sale of Fixed Assets	-	-
Provision for Doubtful Debts	(15.75)	(42.02)
Impairment for financial assets	(1.84)	6.21
Interest income	(3.12)	(9.50)
Exchange Fluctuations (net)	3.67	(16.55)
Reimbursement of net liability/assets of defined benefit plans	0.97	1.45
Operating profit before working capital changes	67.83	169.58
Changes in operating assets and liabilities:		
Trade Receivables	144.86	(256.05)
Other Receivables	265.05	(242.25)
Inventory	77.63	247.94
Lease	(2.28)	5.57
Trade and Other Payables	(613.88)	238.01
Cash generated from operations	(60.79)	162.80
Income Tax (net)	(3.45)	(6.45)
Net cash flow from operating activities	(64.24)	156.35
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(13.66)	(9.36)
Investment in Fixed deposit	(44.36)	99.83
Interest Income	3.12	9.50
Net cash flow from investing activities	(54.90)	99.97
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Issue of Equity Shares	-	23.07
Share Premium	-	726.94
Exchange Fluctuations (net)	-	-
Dividend Paid	-	-
(Proceeds)/Repayment from short-term borrowings	16.04	(49.03)
Proceeds/ Repayment of long-term borrowings	93.06	(753.34)
Net Increase/(Decrease) in Working Capital Borrowings	(5.64)	(9.24)
Payment of Lease Liability	(2.75)	(2.20)
Finance Cost	(87.80)	(85.79)
Net cash flow from financing activities	12.91	(149.59)
Net increase in cash and cash equivalents	(106.23)	106.73
Opening Cash and Cash Equivalents	106.77	0.04
Closing Cash and Cash Equivalents	0.54	106.77

The cash flow statement is prepared using the indirect method set out in IND AS 7 - Statement of cash flow.

Changes in liabilities arising from financing activities for year ended 31st March 2023

Particulars	Long term borrowings	Short term borrowings
As at 1st April 2023	1,353.34	31.41
Repayment of borrowings	(3.34)	(49.03)
Others	(750.01)	-
As at March 31, 2023	600.00	(17.62)

Changes in liabilities arising from financing activities for year ended 31st March 2024

Particulars	Long term borrowings	Short term borrowings
As at 1st April 2023	600.00	61.34
Additional borrowings	93.06	16.04
Others	-	-
As at March 31, 2024	693.06	77.37

Accompanying notes 1 to 40 form integral part of these financial statements

To be read with our report of even date

For and on behalf of the Board of directors of

For K N Prabhashankar & Co

KBK Chem Engineering Private Limited

Chartered Accountants
Firm Regn.No : 0049825
PRABH Digitally signed
by
ASHAN PRABHASHANKA
KAR K N R K N
Date: 2024.05.27
22:49:21 +05'30'

K.N. Prabhashankar
Partner
Membership No.019575

Vijendra Singh Digitally signed
by Vijendra
Singh
Date: 2024.05.27
22:28:36 +05'30'

Vijendra Singh
Whole-time Director
DIN : 03537522

Sunil Sakharam Kadam Digitally signed by
Sunil Sakharam
Kadam
Date: 2024.05.27
22:33:08 +05'30'

Sunil Kadam
Director
DIN : 00212461

KBK CHEM ENGINEERING PRIVATE LIMITED

Gate No -540, Urawade Road, Kasar Amboli, Tal. Mulshi, Pirangut Pune, - 412111

Notes to Accounts forming part of Financial Statements for the year ended March 31, 2024

(All amounts in million Indian Rupees, unless otherwise stated)

Note 1 a – Corporate Information

The financial statements comprise financial statements of M/s KBK Chem- Engineering Pvt. Ltd. for the year ended 31st March 2024. The Company is a limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its holding company is Shree Renuka Sugars Limited (that is public listed on two recognised stock exchanges in India). The registered office of the Company is located at Gate No -540, Urawade Road, Kasar Amboli, Tal. Mulshi, Pirangut Pune – 412111, Maharashtra, India.

The company is principally engaged in the engineering activities, EPC Solutions and Technology provider for Industrial alcohol-based plants such as Fuel Ethanol, Ethyl Acetate, Portable Alcohol, Evaporation, ZLD, Sugar & Sugar Refinery with Co-generation plants with Efficient Management along with water and waste water solutions.

Note: 1 b- Material Accounting Policies

a) (i) Basis of preparation of financial statements

The accompanying financial statements have been presented for the year ended 31st March 2024 along with the comparative figures for the year ended 31st March 2023. These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) on going concern basis under the historical cost convention on the accrual basis of accounting and the relevant provisions prescribed in the Companies Act 2013, besides the pronouncements/guidelines of the Institute of Chartered Accountants of India and of the Securities and Exchange Board of India. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016 and Companies (Indian Accounting Standards) Amendment Rules, 2017. The accounting policies have been consistently applied by the Company except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b) Use of estimates

In preparing the Company's financial statements in conformity with Ind AS, the Company's management is required to make estimates, judgements and assumptions that affect the application of accounting policies, the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period, the actual results could differ from those estimates. Difference between actual results and estimates are recognized in the period in which the results are known or materialize and if material, their effects are disclosed in the notes to the financial statements.

c) Revenue recognition

Ind AS 115 supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgment, taking into consideration all the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as of 1 April 2018.

The cumulative effect of initially applying Ind AS 115 is recognized at the date of initial application as an adjustment to the opening balance of retained earnings for the year ended March 31, 2020.

d) Property, plant, and equipment:

i. **Property, plant, and equipment** (Tangible and Intangible) are stated at cost less accumulated depreciation. Cost comprises the purchase price and any cost attributable to bringing the asset to the location and condition necessary for its intended use. Expenditure incurred during construction period has been added to the cost of the assets. These expenses have been allocated to the sugar, power generation and ethanol units on a reasonable basis. Subsidy received from the Government has been recognized as deferred income and recognized in the profit and loss on a systematic basis over the useful life of assets.

ii. Land, Building and Plant and Machinery are carried at revalued amount and the surplus on revaluation is credited to Revaluation Reversed account. The useful lives of the depreciable assets remain to be the same as that of prior to revaluation.

e) Borrowing costs:

Interest and other costs in connection with the borrowings of funds to the extent attributable to the acquisition or construction of qualifying assets or capitalized as part of the cost of such asset till such time the asset is ready for its intended use.

All other borrowings costs are recognised in the statement of profit and loss in the period in which they are incurred.

f) Depreciation:

i. Depreciation is provided in the manner prescribed in Schedule II of the Companies Act, 2013. The Carrying Value of Fixed assets are depreciated over the revised remaining useful lives. Fixed assets having nil useful life has been charged to the opening balance of retained earnings as per the transitional provision prescribed in note 7 (b) of Schedule II of the Companies Act 2013.

ii. Depreciation on the value of Revaluation is reduced from revaluation Reserve.

g) Inventories:

Inventories are valued as follows:

Raw materials, stores, and spares, and packing materials:

Valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a Moving Weighted Average basis.

Finished goods:

Valued at lower of cost and net realizable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods excludes excise duty.

Excise duty is generally provided on manufacture of goods, which are not exempt from the payment of duty. However, since the Company's finished goods are not segregated at the time of production into those for sale in domestic markets and those for sale in export markets, the Company is unable to determine the exact liability towards excise duty on finished goods. Accordingly, excise duty is provided/ paid only at the time of clearance of the goods from the factory.

Work-in-process:

Valued at lower of cost up to estimated stage of process and net realisable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity.

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

By- products

By-products are valued at cost. Inter-unit transfers of by- products also include the cost of transportation, duties, etc.

h) Foreign currency transactions

Initial Recognition

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate at the date of the Balance Sheet. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and investments in foreign companies are recorded at the exchange rates prevailing on the date of making the investments.

Exchange Differences

Exchange Differences is charged to the statement of profit and loss except arising on account of such conversion related to the purchase of fixed assets is adjusted therewith, and other long term monetary items is adjusted in the Foreign Currency Monetary Item Translation Difference Account.

Forward Exchange Contracts not intended for trading or speculation purposes:

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the period.

i) Employee benefits:

Short-term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

The eligible employees of the Company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both the employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions as specified under the law are paid to "The Regional Provident Fund Commissioner and the Central Provident Fund under the Pension Scheme". The Company recognizes such contributions as expense of the year in which the liability is incurred.

The Company has an obligation towards Gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The plan is managed by a trust and the fund is invested with Life Insurance Corporation of India under its Group Gratuity Scheme. The Company makes annual contributions to Gratuity Fund and the Company recognizes the liability for Gratuity benefits payable in future based on an independent actuarial valuation.

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave for availment as well as encashment subject to the rules. As per the regular past practice followed by the employees, it is not expected that the entire accumulated leave shall be encashed or availed by the employees during the next twelve months and accordingly the benefit is treated as long-term defined benefit. The liability is provided for based on the number of days of unutilized leave at the Balance Sheet date on the basis of an independent actuarial valuation.

j) Income taxes

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961

Deferred income tax reflects the impact of current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier periods. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternate tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date.

k) Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if.

- The Company has a present obligation because of a past event.
- A probable outflow of resources is expected to settle the obligation and
- The amount of the obligation can be easily estimated.

Contingent Liability is disclosed in the case of

- A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- A possible obligation unless the probability of outflow of resources is remote.

Depending on facts of each case and after due evaluation of relevant legal aspects, claims against the Company not acknowledged as debts are disclosed as contingent liabilities. In respect of statutory matters, contingent liabilities are disclosed only for those demand(s) that are contested by the Company.

Contingent Assets are neither recognized nor disclosed.

l) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equities shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue.

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

m) Impairment of assets

As at each balance sheet date, the carrying amount of assets is tested for impairment to determine,

- a. The provision for impairment loss, if any, required or
- b. The reversal, if any, required of impairment loss recognized in previous periods.

Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

n) Classification of Assets and Liabilities as Current and Non-Current:

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current, non-current classification of assets and liabilities.

KBK CHEM ENGINEERING PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note 2 : Property, Plant and Equipment

Particulars	Land Free Hold	Building	Plant & Machinery	Computer and Computer Peripherals*	Furniture & Fittings*	Vehicles*	Office Equipment*	Right-of-use assets*	Total
Gross Carrying Value									
As at March 31, 2022	40.80	63.75	37.21	3.23	2.83	5.26	1.46	-	154.51
Right of use assets recognised as on 1st June 2022	-	-	-	-	-	-	-	7.21	7.21
Additions	-	-	1.18	2.08	1.66	1.54	0.97	-	7.43
Disposals	-	3.05	2.85	0.01	0.84	0.09	0.20	-	7.04
As at March 31, 2023	40.80	60.70	35.54	5.30	3.65	6.71	2.23	7.21	162.11
Right of use assets recognised as on 1st June 2023	-	-	-	-	-	-	-	-	-
Additions	-	7.21	5.30	0.21	0.22	-	0.73	-	13.67
Disposals	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
As at Mar 31, 2024	40.80	67.91	40.84	5.51	3.87	6.71	2.96	7.21	175.78
Accumulated Depreciation	-	-	-	-	-	-	-	-	-
As at March 31, 2022	-	24.58	12.51	0.98	1.15	2.83	0.29	-	42.28
Depreciation charge for the year	-	2.06	2.25	1.19	0.29	0.48	0.37	2.01	8.65
Disposals	-	1.47	1.15	0.01	0.82	0.06	0.19	-	3.70
As at March 31, 2023	-	25.17	13.61	2.16	0.62	3.25	0.47	2.01	47.23
Depreciation charge for the year	-	2.18	2.40	1.49	0.35	0.56	0.52	2.41	9.91
Disposals	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
As at Mar 31, 2024	-	27.35	16.01	3.65	0.97	3.81	0.99	4.42	57.14
Net Carrying Value	-	-	-	-	-	-	-	-	-
As at March 31, 2024	40.80	40.56	24.83	1.86	2.90	2.90	1.97	2.79	118.64
As at March 31, 2023	40.80	35.53	21.93	3.14	3.03	3.46	1.76	5.20	114.88

* These assets were carried at deemed cost at the time of transition to IND As

A. Assets under construction

Capital work in progress as at 31st March, 2024 comprises expenditure for the plant and building in the course of construction including material procured for expansion projects. Additions during the current year and previous year are net of capitalisation.

B. Revaluation of land, buildings and plant, machinery and equipment

During the year ended 31st March 2022, the Company had appointed an independent valuer to determine the fair value of freehold and leasehold land, building and plant and machineries. As an outcome of this process, the Company has recognised decrease in the gross block of free hold land of INR 2.55 Million, increase in the gross block of building of INR 1.68 Million and in plant and machineries of INR 8.78 Million. The company recognised this increase within the revaluation reserve and statement of comprehensive income.

The Company determined these fair values after considering physical condition of the asset, technical usability / capacity, salvage value, quotes from independent vendors. The fair value of land is determined using market approach and building, plant, machinery and equipment using Depreciated Replacement Cost (DRC). The DRC is derived from the Gross Current Reproduction / Replacement Cost (GCRC) which is reduced by considering depreciation. The fair value measurement will be classified under level 3 fair value hierarchy.

Significant unobservable valuation input:

Asset	Valuation technique	Significant unobservable inputs
Freehold land/Leasehold land	Market approach	The value of land was determined based on condition, location, demand and supply in and around and other infrastructure facilities available at and around the said plot of land. Land which was based on government promoted industrial estates, was appraised on the present fair market value depending on the condition of the said estates, its location and availability of such plots in the said industrial estate.
Building	Depreciated Replacement Cost (DRC)	Building/structural sheds were measured considering the DRC cost method for the constructed area depending on utility and design of building structures condition, actual physical condition and state of repairs and maintenance, type of general and special specifications of construction, remaining useful economic life of the structures, demand for the structures, cost of building materials and related construction supplies in the surrounding area, latest trends in the building construction technology, present day replacement cost of comparable building structures, depreciation for physical wears and tear.
Plant, machinery and equipment	Depreciated Replacement Cost (DRC)	The valuation of plant & machinery has been estimated by DRC method under cost approach of valuation. The DRC is adjusted towards the obsolescence, potential profitability and service potential in order to estimate the market value 'In-Situ' of the plant & machinery.

KBK CHEM ENGINEERING PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2024

All amounts in million Indian Rupees, unless otherwise stated

Information of revaluation model (gross of deferred tax):

Balance as at 31st March 2022	51.99
Revaluation Reserve	-
Depreciation on revalued assets	(1.02)
Reversal of reserves on revalued assets sold	(0.85)
Balance as at 31st March 2023	50.12
Revaluation Reserve	-
Depreciation on revalued assets	-0.98
Reversal of reserves on revalued assets sold	-
Balance as at 31st March 2024	49.14

If freehold land, building & plant & machinery was measured using the cost model. The carrying amount would be as follows:

	As at 31st March 2024	As at 31st March 2023
Cost		
Freehold Land	3.77	3.77
Buildings	61.97	54.77
Plant, machinery and equipment	31.80	26.51
Right to use assets	7.21	7.21
	104.75	92.26
Accumulated depreciation	-	-
Freehold Land	-	-
Buildings	26.26	24.28
Plant, machinery and equipment	14.20	12.58
Right to use assets	4.41	2.01
	44.87	38.87
Net carrying amount	59.88	53.39

Note 3: Intangible Assets

Particulars	Computer Software #	Total
As at March 31, 2022	11.19	11.19
Additions	-	-
Disposals	-	-
As at March 31, 2023	11.19	11.19
Additions	-	-
Disposals	-	-
As at March 31, 2024	11.19	11.19
Depreciation and Impairment	-	-
As at March 31, 2022	11.19	11.19
Depreciation charge for the year	-	-
Disposals	-	-
Impairment	-	-
As at March 31, 2023	11.19	11.19
Depreciation charge for the year	-	-
Disposals	-	-
Impairment	-	-
As at March 31, 2024	11.19	11.19
Net Book Value	-	-
As at March 31, 2024	-	-
As at March 31, 2023	-	-

These assets were carried at deemed cost at the time of transition to IND As

Notes to financial statements for the year ended March 31, 2024
Note 4: Other non-current financial assets

All amounts in million Indian Rupees, unless otherwise stated

	As at March 31, 2024	As at March 31, 2023
<u>Unsecured & Considered good:</u>		
Deposit	1.72	1.72
Fixed deposit pledged with bank (maturity more than 12 months)	-	35.25
Less: Impairment allowance	-	-
	1.72	36.98
Break-up for security details		
Unsecured, considered good	1.72	36.98
Unsecured, considered doubtful	-	-
(A)	1.72	36.98
Impairment allowance		
Unsecured, considered good	-	-
Unsecured, considered doubtful	-	-
(B)	-	-
(A-B)	1.72	36.98

Note 5 : Other non current assets

	As at March 31, 2024	As at March 31, 2023
Capital Advances	-	0.20
Amount paid under protest to Government Authorities	7.41	7.42
Less: Impairment allowance	-	-
	7.41	7.62
Break-up for security details		
Unsecured, considered good	7.41	7.62
Unsecured, considered doubtful	-	-
(A)	7.41	7.62
Impairment allowance		
Unsecured, considered good	-	-
Unsecured, considered doubtful	-	-
(B)	-	-
(A-B)	7.41	7.62

Note 6: Inventories

	As at March 31, 2024	As at March 31, 2023
Raw Materials: (includes transit stock of 31st March 2024: INR 0.005 Million (31st March 2023: INR 1.3 Million))	61.14	139.19
Work-in-Progress: - at Workshop	-	-
	61.14	139.19
Less: Provision for Obsolete Stock at site	-	0.42
	61.14	138.77

Note 7: Trade Receivables

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Receivables from third parties*	644.49	536.33
Receivables from related parties (refer note 33)*	129.96	370.89
	774.45	907.22

Notes to financial statements for the year ended March 31, 2024
Break-up for security details:

All amounts in million Indian Rupees, unless otherwise stated

Unsecured, considered good		
Receivables from third parties	644.49	536.33
Receivables from related parties (refer note 33)	129.96	370.89
Unsecured, considered doubtful		
Receivables from third parties	15.75	-
Receivables from related parties (refer note 33)	-	-
(A)	790.20	907.22

Impairment allowance (allowance for bad and doubtful debts)

Unsecured, considered good	-	-
Unsecured, considered doubtful	15.75	-
(B)	15.75	-

(A - B)	774.45	907.22
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During the year, the Company has recognised impairment allowance in statement of profit & loss on lifetime expected credit loss model amounting to INR 15.75 INR Million (31st March 2023: INR NIL)

No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person.

* Includes retention amount to INR 176.61 Million(31st March 2023: INR 235.40 Million).

Trade receivables Ageing Schedule

Outstanding for following periods from due date of payment	As at March 31, 2024	As at March 31, 2023
Current but not due	606.34	598.00
Less than 6 Months	37.62	278.70
6 months – 1 year	13.79	7.85
1-2 years	110.55	3.78
2-3 years	0.42	18.89
More than 3 years	5.74	-
	774.45	907.22

Note 8: Cash & Cash Equivalents

	As at March 31, 2024	As at March 31, 2023
Cash on hand	-	-
Balances with Banks:		
In Current accounts	0.43	89.93
In Cash Credit accounts	0.11	16.84
	0.54	106.77

Note 9 : Other Bank balances

	As at March 31, 2024	As at March 31, 2023
Fixed deposit pledged with bank*	52.45	7.89
	52.45	7.89

*Fixed deposit with banks include amounts that have been provided as margin money.

Note 10: Other Current Assets

	As at March 31, 2024	As at March 31, 2023
Advance to Vendors	415.91	576.71
Prepayments	1.78	6.62
Balances with government authorities	2.21	61.04
Other Advances	3.58	8.49
Less: Impairment allowance	(1.49)	(2.91)
	421.99	649.95

Break-up for security details:

Unsecured, considered good	421.99	649.95
Unsecured, considered doubtful	1.49	2.91
(A)	423.48	652.86

Impairment allowance

Unsecured, considered good	-	-
Unsecured, considered doubtful	(1.49)	(2.91)
(B)	(1.49)	(2.91)

(A - B)	421.99	649.95
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Notes to financial statements for the year ended March 31, 2024

Note 11a: Equity Share Capital

All amounts in million Indian Rupees, unless otherwise stated

	As at March 31, 2024	As at March 31, 2023
a) Authorised : 4,00,000 Equity Shares of Rs.100/- Each (P.Y 4,00,000 Equity Shares of Rs.100/- Each)	40.00	40.00
	40.00	40.00
b) Issued, Subscribed & Paid up 3,99,771 Equity shares of Rs.100/- each (P.Y 3,99,771 Equity Shares of Rs.100/- Each)	39.98	39.98
	39.98	39.98
c) Reconciliation of number of Equity Shares outstanding :	As at March 31, 2024	As at March 31, 2023
At the beginning of the year	3,99,771	1,69,143
Increase/(decrease) during the year	-	2,30,628
At the end of the year	3,99,771	3,99,771

d) The Company has only one class of equity shares having par value of INR 100 per share . The company declares and pays dividend in Indian rupees. The holders of equity shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share .

e) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

f) During the year company Issued NIL Equity sahes (P.Y. - company issued 230,628 shares with face value of Rs 100 per share to Shree Renuka Sugar Ltd. @ Rs 3252 per share by converting Loan into Equity)

f) Details of Shares held by promoters

As at March 31, 2024

Particulars	Promoter Name	As at March 31, 2024	
		No.of Shares	% of Holding
Equity shares of INR 100 each fully paid	Shree Renuka Sugars Limited '(Including holding by representatives)'	3,99,771	100.00

As at March 31, 2023

Particulars	Promoter Name	As at March 31, 2023	
		No.of Shares	% of Holding
Equity shares of INR 100 each fully paid	Shree Renuka Sugars Limited '(Including holding by representatives)'	3,99,771	100.00

Note 11b: Other equity

	As at March 31, 2024	As at March 31, 2023
Securities premium account (refer note a below)	1.22	1,089.76
Revaluation reserve (refer note b below)	49.14	49.41
Retained earnings	(149.80)	(1,073.42)
	(99.44)	65.75

a. Securities premium account:

	INR Million
As at 31st March 2022	362.82
Shares issued during the year	726.94
As at 31st March 2023	1,089.76
Shares issued during the year	-
Transfer to Retained Earnings as per NCLT order	(1,088.55)
As at March 31, 2024	1.21

b. Revaluation reserve:

Revaluation reserve is credited when property, plant and equipment's are revalued at fair value. The reserve is utilised in accordance with the requirements of Ind AS 16. During the year, the Company recognised impairment of property, plant and equipment's through revaluation reserve amounting to INR NIL (31st March 2023: INR NIL) (net of deferred tax).

Notes to financial statements for the year ended March 31, 2024

NON-CURRENT LIABILITIES

Note 12: Borrowings

All amounts in million Indian Rupees, unless otherwise stated

	As at March 31, 2024	As at March 31, 2023
Secured:		
Term Loan From IDBI Bank	-	5.28
Unsecured:		
Loan from Holding Company (Shree Renuka Sugars Ltd)	693.05	598.06
	693.05	603.34
Less: Current maturity of long-term borrowings transferred to short term borrowings (refer Note 16)	-	3.34
	693.05	600.00

Terms of repayment for the loan outstanding

Particulars	Maturity	Effective Rate of Interest	As at March 31, 2024	As at March 31, 2023
Term loan from Bank				
IDBI Bank Limited	28th September, 2024	8.70%	-	5.28

Note A: Repayment schedule of financial instrument is as follows:

Term loans availed from IDBI Bank having maturity date of 28th September 2024 are repayable in 36 structured monthly instalments commencing from 28th September 2021. The outstanding amount is fully paid during current year.

Note B: Nature of security/guarantees

Term loans availed from IDBI Bank is secured by second charge on movable and immovable assets of the company.

Note C: Nature of security/guarantees

Corporate Guarantee of Shree Renuka Sugars Ltd. towards term loan and working capital loan from HDFC Bank (refer note 16) aggregating to INR 130 Million (31st March 2023:INR 130 Million).

Note 13: Lease liabilities

	As at March 31, 2024	As at March 31, 2023
Non- current*	-	3.33
Current*	3.29	2.25
	3.29	5.58

* For further information refer note 35

Note 14: Net employee benefit liabilities

	As at March 31, 2024	As at March 31, 2023
Provision For Employee Benefits:		
Provision For Gratuity Refer note no 32	2.41	3.74
Provision For Leave Encashment	2.77	5.52
	5.18	9.26
Less: Short-Term Liability (transferred to short-term provisions (Refer Note 19):		
Provision For Gratuity	0.18	0.76
Provision For Leave Encashment	2.77	5.52
	2.23	2.98

Note 15: Income tax

The major components of income tax expenses for year ended 31st March 2024 and 31st March 2023 are:

	As at 31st March 2024	As at 31st March 2023
Profit and loss section		
Current income tax charge	-	24.84
Deferred tax:		
Relating to origination and reversal of temporary differences and write-down of deferred tax asset	152.13	11.38
Income tax expense reported in the statement of profit and loss	152.13	36.22

OCI Section

Deferred tax related to items recognised in OCI during the year

	As at 31st March 2024	As at 31st March 2023
Net loss on remeasurements of defined benefit plans	(0.26)	(0.38)
Reversal of revaluation reserve on disposal of asset/impairment of plant property and equipment's	-	0.23
Income tax expenses charged to OCI	(0.26)	(0.15)

Reconciliation of tax expenses and the accounting profit multiplied by the India's domestic tax rate for year ended 31st March 2024 and 31st March 2023

	As at 31st March 2024	As at 31st March 2023
Accounting profit before tax	-	135.58
At India's statutory income tax rate of 26% (31st March 2023: 26%)	-	35.25
Losses on which DTA created earlier off set against DTL during current year	(6.31)	(36.17)
Provisions written back, not claimed as expenses in earlier years	(3.32)	(2.25)
Others	161.76	14.54
Income tax expense in the statement of profit and loss	152.13	11.37

Deferred tax

	As at 31st March 2024	As at 31st March 2023
Difference between carrying value of PPE and WDV as per the income tax act	(9.19)	(10.00)
Expenses claimed on payment basis	2.20	3.86
Losses available for offsetting against future taxable income	54.36	205.89
MAT credit entitlement	28.92	28.92
Net deferred tax Assets	76.29	228.67

Presented in the balance sheet as follows:

	As at 31st March 2024	As at 31st March 2023
Deferred Tax Assets (DTA)	85.48	238.67
Deferred Tax Liabilities (DTL)	(9.19)	(10.00)
Deferred tax assets	76.29	228.67

Reconciliation of deferred assets/(liabilities):

	As at 31st March 2024	As at 31st March 2023
Opening balance as at 1st April	228.67	240.13
Tax (expense)/income during the period recognised in profit and loss	(152.13)	(11.37)
Tax income/(expense) during the period recognised in OCI	(0.25)	(0.09)
Closing balance	76.29	228.67

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised and has been restricted to the extent of deferred tax liability. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

The Company has unabsorbed depreciation of INR.57.09 million (31st March 2023: INR.57.09 million), unabsorbed business losses of INR. 733.56 million (31st March 2023: INR. 734.82 million) on which deferred tax asset has been created; in addition, the Company has MAT credit entitlement of INR. 28.92 million (31st March 2023: INR. 28.92 million). The unabsorbed depreciation can be carried forward for indefinite period, whereas the unabsorbed business losses and the MAT credit entitlement can be carried forward for 8 years and 15 years respectively. The carrying amount of deferred tax assets is reviewed at each reporting date to assess whether sufficient taxable profit will be available for recoverability of deferred tax assets. Accordingly, the deferred tax assets are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

The Company has unabsorbed depreciation of Nil (31st March 2023: Nil), unabsorbed tax losses of INR. NIL (31st March 2023: INR. Nil) on which deferred tax asset has not been created. The unabsorbed depreciation can be carried forward for indefinite period, whereas the unabsorbed losses can be carried forward for 8 years and will expire between financial year 2026-27 to 2028-29.

Pursuant to the Taxation Law (Amendment) ordinance , 2019 (Ordinance) issued by Ministry of Law and Justice (Legislative Department) on 20th September 2019 which is effective 1st April 2019, domestic companies have the option to pay corporate income tax rate at 22% plus applicable surcharge and cess (New Tax rate) subject to certain condition. The Company had made an assessment of the impact of the Ordinance and decided to continue with the existing tax structure due to carry forwards tax losses, unabsorbed depreciation and unutilised MAT credit.

Notes to financial statements for the year ended March 31, 2024

CURRENT LIABILITIES

Note 16: Borrowings

All amounts in million Indian Rupees, unless otherwise stated

	As at March 31, 2024	As at March 31, 2023
Secured:		
Working Capital Loan From Bank :		
ICICI Bank	-	-
(Against FD pledged with Bank)		
IDBI Bank	-	-
HDFC Bank	77.37	58.00
(Secured by pari passu charge on movable and immovable assets of the company with corporate guarantee of holding company)		
Current maturity of long-term borrowings (Refer Note 12)	-	3.34
	77.37	61.34

Note 17: Trade Payables

	As at March 31, 2024	As at March 31, 2023
(a) Total outstanding dues of micro and small enterprises	32.77	18.06
(b) Total outstanding dues of creditors other than micro and small enterprises:	-	-
For Goods and Services*	223.26	203.99
Others	-	-
	256.03	222.05

Trade Payables

	As at March 31, 2024	As at March 31, 2023
Trade payables#*	256.03	222.05
	256.03	222.05

#Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled within the credit period agreed with the supplier.

*The details of amounts outstanding to Micro, Small and Medium Enterprises based on information available with the Company is as under:

	As at March 31, 2024	As at March 31, 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	31.21	16.48
- Interest due on above	1.56	1.58
Total	32.77	18.06
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts 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 (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	1.56	1.58
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	1.56	1.58

Notes to financial statements for the year ended March 31, 2024
Trade payables Ageing Schedule

All amounts in million Indian Rupees, unless otherwise stated

Outstanding for following periods from due date of payment	As at March 31, 2024	As at March 31, 2023
Less than 1 year	246.06	212.25
1-2 years	8.57	9.39
2-3 years	1.27	0.41
More than 3 years	0.11	-
	256.03	222.05

There are no "unbilled" trade payables, hence the same are not disclosed in the ageing schedule. Less than 1 year includes "Not due" trade payables of INR 6.06 million (31st March 2023: INR 32.88 million)

Note 18: Other current financial liabilities

	As at March 31, 2024	As at March 31, 2023
Salary Payables	1.48	4.63
	1.48	4.63

Note 19: Net employee benefit liabilities (current)

	As at March 31, 2024	As at March 31, 2023
Provision for Employee Benefits :		
Provision For Gratuity (Refer Note 32)	0.17	0.76
Provision For Leave Encashment	2.76	5.52
	2.94	6.28

Note 20: Other Current Liabilities

	As at March 31, 2024	As at March 31, 2023
Advance From Customers	129.54	917.64
Advance From Related Parties (refer Note 33)	268.99	196.34
Statutory Dues Payables	2.55	5.68
Other Payables *	138.71	49.85
Provision for Onerous contracts	-	10.91
	539.79	1,180.43

*Note:- Other payable value include INR 136.77 Million related to Contact in process- Liability as on 31st Mar 2024

Notes to financial statements for the year ended March 31, 2024

Note 21: Revenue from Operations

All amounts in million Indian Rupees, unless otherwise stated

	As at March 31, 2024	As at March 31, 2023
a) Revenue from contracts with customers:		
Revenue from Projects and Products	2,148.81	4,223.47
Revenue from Services	290.11	356.16
Total Revenue from contrats with customers	2,438.92	4,579.63
b) Other Operating incomes		
Sale of Scraps	10.08	19.76
	10.08	19.76
Total Revenue from operation (a+b)	2,448.99	4,599.39
c) Disclosure pursuant to Ind As 115: Revenue from Contracts with Customers	As at March 31, 2024	As at March 31, 2023
i) Revenue by category of contracts:		
Over a period of time basis	2,390.72	4,244.87
At a point-in-time basis	48.21	334.76
Total revenue from contracts with customer	2,438.93	4,579.63
Revenue by geographical market:		
Within India	1,789.00	3,204.28
Outside India	649.93	1,375.35
Total revenue from contracts with customer	2,438.93	4,579.63
ii) Contract balances:		
The following table provides information about contract balance from contracts with customer as at the reporting date:		
Trade Receivables (Note:- 7)	270.47	521.41
Unbilled Revenue (Contract assest)	519.74	385.80
Unearned revenue (Contract liability)	136.78	40.13
Customer advances (Contract liability)	398.53	1,113.99
<p>Contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date from projects and customised contracts. The Contract assets are transferred to Trade receivables on completion of milestones and the related invoicing.</p> <p>The contract liabilities relate to unearned revenue and customer advances where performance obligations are yet to be fulfilled as per the contracts. The fulfilment of the performance obligations will extinguish these liabilities and revenue will be recognised, with no impact on the Company's cash positions on specific projects.</p>		

iii) Changes in unbilled revenue and unearned revenue for the year:

	As at March 31, 2024	As at March 31, 2023
Opening unbilled revenue (refer note 7)	385.80	
Opening unearned revenue (refer note 20)	40.13	
-Transfer of contract assets to receivable from opening unbilled revenue	-	-
-Decrease in revenue as a result of changes in the measure of progress	136.78	40.13
-Increase in revenue as a result of changes in the measure of progress from the opening unearned revenue	-	-
-Decrease in revenue as a result of changes in the measure of progress on account of unbilled revenue	(385.80)	-
-Transfer of contract assets to receivable	-	-
-Increase in revenue as a result of changes in the measure of progress on account of unearned revenue	(40.13)	
-Increase in revenue as a result of changes in the measure of progress	519.74	374.89
-Others*	-	10.92
Closing unbilled revenue (refer note 7)	519.74	385.81
Closing unearned revenue (refer note 20)	136.78	40.13

* includes adjustments on account of onerous contracts,

iv) Performance obligations

Performance obligation in project or a group of projects which are contracted at or near same time and negotiated simultaneously, are combined for the purpose of evaluation. The Company has estimated that multiple commitments pertaining to engineering procurement and commissioning of such projects is as single performance obligation which is spread over different accounting periods.

Performance obligation for products are evaluated on standalone basis, recognised at point in time. Generally, performance obligations for such contracts have an original expected duration of one year or less.

There are no major contracts with customers which have significant financing component included within them and therefore there is no difference between the timing of satisfaction of performance obligation vis a vis the timing of the payment.

v) Remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

	As at March 31, 2024	As at March 31, 2023
Amount of revenue yet to be recognised for contracts in progress	919.88	2,357.12

The Company expects that a significant portion of the remaining performance obligation will be met in next 12-24 months.

Notes to financial statements for the year ended March 31, 2024
Note 22: Other Income

All amounts in million Indian Rupees, unless otherwise stated

	Year ended 31st March 2024	Year ended 31st March, 2023
Interest Received	3.12	9.50
Sundry balances Written Back	-	-
Provision of earlier years written back	1.98	7.62
RODTEP script income	4.43	5.27
Other non-operating income	10.91	17.04
Insurance Claim Received	0.28	
	20.72	39.43

Note 23: Cost of Materials Consumed

	Year ended 31st March 2024	Year ended 31st March, 2023
Opening stock	138.26	156.41
Add: Purchases & Related Expenses	1,448.60	2,569.64
Less: Inter Segment Expenses	-	-
	1,586.86	2,726.05
Less: Closing Stock	60.44	138.26
	1,526.42	2,587.79

Note 24: Changes In Inventory of Finished Goods, Work-In-Progress & Stock in Trade

	Year ended 31st March 2024	Year ended 31st March, 2023
Opening stock		
Work in Progress at Work shop	-	263.58
(A)	-	263.58
Closing Stock		
Work in Progress at Work shop	-	-
(B)	-	-
(A-B)	-	263.58

Note 25: Employee Benefit Expenses

	Year ended 31st March 2024	Year ended 31st March, 2023
Salaries, Wages & Bonus	65.13	58.56
Contribution to Provident Fund & Others	2.58	2.57
Leave Encashment	(0.37)	2.03
Gratuity Expenses (refer note 32)	1.09	1.07
Staff Welfare Expenses	2.40	2.43
	70.83	66.66

Note 26: Finance Costs

	Year ended 31st March 2024	Year ended 31st March, 2023
Interest on:		
On Term Loans	0.21	0.64
Interest on others	72.56	66.92
On Working Capital	9.85	7.66
Others:		
Bank Charges	4.70	10.00
Interest expenses on lease liabilities	0.47	0.57
	87.79	85.79

Note 27: Depreciation and Amortisation Expenses

	Year ended 31st March 2024	Year ended 31st March, 2023
Depreciation of Tangible Assets (refer note 2)	9.88	8.62
Amortisation of Intangible Assets (refer note 3)	-	-
	9.88	8.62

Note 28: Other Expenses

All amounts in million Indian Rupees, unless otherwise stated

	Year ended 31st March 2024	Year ended 31st March, 2023
i. Manufacturing Expenses		
Consumption of Stores & Spares	1.54	4.50
Outsourced service cost	539.12	1,113.16
Consultancy Services	79.15	64.13
Power & Fuel	2.92	2.97
Repair & Maintenance:		
Plant & Machinery	1.49	1.74
Buildings	0.12	2.20
A	624.34	1,188.70
ii. Administrative Expenses		
Rent, Rates & Taxes	3.66	3.40
Warehouse Charges	0.90	-
Insurance	6.59	5.85
Traveling & Conveyance	11.65	13.06
Printing & Stationery	1.39	0.78
Communication Expenses	1.50	1.12
Legal & Professional Fees	17.15	24.24
Repair & Maintenance-Others	3.45	3.82
Payment to auditors (refer note a below)	1.09	1.13
Impairment for financial assets	(1.84)	48.22
Safety & Security Expenses	5.02	4.36
CSR Expenses *	1.94	1.67
Donations and contributions	-	-
Loss on Sale of Fixed Assets	-	-
Books, Subscription and Membership fees	0.04	0.19
Bad Debts Written Off	-	-
Miscellaneous expenses	0.78	0.96
Impairment of trade receivables	15.75	-
B	69.06	108.78
iii. Selling and Distribution Expenses		
Freight and forwarding charges	87.33	206.20
Advertisement and sales promotion	1.99	3.71
Discounts	-	-
Late Delivery Charges	2.20	-
Commission/Brokerage On Sales	-	-
Excise Duty borne by the Company	-	-
C	91.52	209.91
	784.91	1,507.39

a. Payment to Auditors

	Year ended 31st March 2024	Year ended 31st March, 2023
As auditor		
Audit fee	0.45	0.45
Limited review	0.21	0.21
Tax Audit Services	0.10	0.10
In other capacity:		
Reimbursement of expenses	0.19	0.23
Others	0.14	0.14
	1.09	1.13

b. Expenditure on Corporate Social Responsibility (CSR)

	Year ended 31st March 2024	Year ended 31st March, 2023
Gross amount required to be spent during the year	2.04	1.49
Amount of expenditure incurred	1.94	1.68
Short / (Excess) amount spent in current year	0.10	(0.19)
Previous year's unspent amount	-	-
Amount unspent as at the year end	0.10	-
Reason for shortfall	CSR calculation is revised & CSR expenditure is incurred already	-
Nature of CSR activities	Punematic Lab set up Donation to Chochela Pune for Hearing and speech	Ambulance Donation to Chochela Pune for Hearing and speech

Note 29: Current Tax

All amounts in million Indian Rupees, unless otherwise stated

	Year ended 31st March 2024	Year ended 31st March, 2023
Current tax	-	24.84
	-	24.84

Note 30: Earnings Per Share

The calculations of earnings per share (basic and diluted) are based on the earnings and number of shares as computed below.

	Year ended 31st March 2024	Year ended 31st March, 2023
Reconciliation of earnings		
Profit/(Loss) for the year ended	(165.92)	99.37
Net profit/(Loss) attributable to equity shareholders	(165.92)	99.37
Reconciliation of number of shares	Shares	Shares
Shares outstanding at the beginning of the year	3,99,771	1,69,143
Shares outstanding at the end of the year	3,99,771	1,69,143
Weighted average number of equity shares	3,99,771	1,69,143
Basic and Diluted Earnings Per Share (in rupees) [Nominal value of shares Re. 100/- each]	(415.01)	348.92

Notes to financial statements for the period ended March 31, 2024

Note 31. Commitment & Contingencies:

(All amounts in million India Rupees, unless otherwise stated)

i) Capital commitments:

As at 31st March 31, 2024, the company had the following outstanding commitments:

Sr. No.	Outstanding commitments	As at 31st March, 2024	As at 31st March, 2023
A	Estimated value of contract pending for execution on capital account	0.37*	2.61

* Capital advance of INR 0.009 million is paid against the pending contracts.

ii) Guarantees:

Outstanding guarantee of the company are as follows:

Sr. No.	Outstanding commitments	As at 31st March, 2024	As at 31st March, 2023
A	Bank Guarantee	196.54	357.39
B	Letter of Credit	-	7.86
C	Corporate Guarantee	67.98	26.4

iii) Contingent liabilities:

Liabilities classified and considered contingent due to contested claims and legal disputes	As at 31st March, 2024	As at 31st March, 2023
Excise and Service Tax Demands (For ST, no demands)	279.66	279.66
Sales Tax/ VAT demands	18.46	18.46
PF claim and Interest	2.62	2.62
Income Tax	2.53	7.81
Legal cases- Vendor and customer	309.45	296.09

Company does not provide for warranty claims, as there are no precedents of such claim against company. There are no other contingent liabilities as on the date of balance sheet. As the company is involved in engineering industry, the liability towards completion of the project in progress is a contingent liability. However the liability cannot be quantified.

iv) Contracts in Progress:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Domestic	45.53	1673.44
Export	337.42	990.23

Notes to financial statements for the period ended March 31, 2024

All amounts in Indian rupees, unless otherwise stated

Note 32 - Defined Benefit Plans

Sr. No.	Particulars	Gratuity Benefits	
		Year Ended 31st March 2024	Year Ended 31st March 2023
1	Change in Benefit Obligation		
	Opening Defined Benefit Obligation	3.74	4.49
	Current service Cost	0.84	0.83
	Interest cost	0.25	0.24
	Due to change in Financial Assumption	0.05	(6.87)
	Due to change in Demographic Assumption	(0.22)	5.39
	Due to experience adjustments	(0.79)	0.03
	Past Service cost	-	-
	Actuarial loss/ (gain) on Obligation	-	-
	Benefits paid	(1.46)	(0.38)
	Closing Defined Benefit Obligation	2.41	3.73
2	Change in Plan Assets		
	Opening value of plan assets	-	-
	Interest Income	-	-
	Return on plan assets excluding amounts included interest income	-	-
	Contributions bt employer	-	-
	Benefits paid	-	-
	Closing value of plan assets	-	-
3	Fund status of Plan Assets		
	Present value unfunded obligations	2.41	3.73
	Present value funded obligations	-	-
	Fair value of Plan assets	-	-
	Net Liability (Assets)	2.41	3.73
4	Other Comprehensive Income for the current period		
	Due to Change in financial assumptions	0.05	(6.87)
	Due to change in Demographic Assumption	(0.22)	5.39
	Due to experience adjustments	(0.79)	0.03
	Return on plan assets excluding amounts included in interest income	-	-
	Amounts recognized in Other Comprehensive Income	(0.96)	(1.45)
5	Expenses for the current period		
	Current service cost	0.84	0.83
	Interest cost (net of interest income)	0.25	0.24
	Amount recognized in expenses	1.09	1.07
6	Defined Benefit Liability		
	Net Opening Provision in books of accounts	3.74	4.49
	Current service cost	0.84	0.83
	Net Interest cost	0.25	0.24
	Past service cost	-	-
	Actuarial Loss/(gain) recognized in Other Comprehensive Income	(0.96)	(1.45)
	Benefits paid by the company	(1.46)	(0.38)
	Closing Provision in books of accounts	2.41	3.73
7	Principal Actuarial Assumptions		
	Discount rate (p.a.)	7.18%	7.45%
	Salary Growth rate (p.a.)	8%	8%
	Withdrawal Rates	Age based: Up to Age 25: 0% Age 26 - 35 : 38% Age 36 - 45 : 15% Age 46 -55 : 6% Age 56 & Above: 2%	Up to Age 25: 5% Age 26 - 35 : 20% Age 36 - 45 : 7% Age 46 -55 : 2% Age 56 & Above: 0%
	Retirement age	58 & 60 years	58 & 60 years

Note 33 : Related party transactions

(a) Holding Company

- 1 Shree Renuka Sugars Limited

(b) Affiliate companies

- 1 Gokak Sugars Limited
- 2 Adani wilmar limited
- 3 Jawanani Rafinasi (JMR)
- 4 BIDCO Uganda Limited, Uganda
- 5 MW Rice Millers Limited
- 6 SANIA Cie
- 7 Ghana Speciality Fats Industries Ltd.
- 8 Wilmar Africa Limited
- 9 Repi Soap & Detergent PLC- Ethiopia
- 10 PT Duta Sugar International- Indonesia
- 11 LLC Delta Wilmar, Ukraine
- 12 Global Industries Limited, Zambia
- 13 Wilmaco Food Industries
- 14 Wilmar Processing SA (Pty) Ltd
- 15 PT MULTI NABATI SULAWESI
- 16 WILMAR EDIBLE OILS PHILIPPINES, INC
- 17 PT WILMAR NABATI
- 18 WILMAR SA PTY LTD
- 19 PT WILMAR BIOENERGI INDONESIA
- 20 Wilmar Rice Tanzania Ltd.
- 21 AW FOOD INGREDIENTS SA

(c) Key managerial personnel

- 1 Mr. Atul Chaturvedi- Director
- 2 Mr. Vijendra Singh- Director
- 3 Mr. Sunil Kadam- Director

KBK CHEM ENGINEERING PRIVATE LIMITED
Notes to financial statements for the year ended 31st March 2024

All amounts in million Indian Rupees, unless otherwise stated

A Transactions with related parties for year ended 31st March 2024 and 31st March 2023

Sr. No.	Particulars	Year ended	Sales to related parties	Interest expense on advances and others	Loans (received)/ repaid	Advance received	Share Capital Via Loan conversion
(a)	Holding Company						
1	Shree Renuka Sugars Limited	YTD March 31, 2024	625.15	71.11	-95.00	370.29	-
		YTD March 31, 2023	2,274.62	65.70	-	66.72	750.00
(b)	Affiliate companies						
2	Gokak Sugars Limited	YTD March 31, 2024	21.57	-	-	22.82	-
		YTD March 31, 2023	11.00	-	-	-	-
3	Adani wilmar limited	YTD March 31, 2024	50.68	-	-	-	-
		YTD March 31, 2023	31.36	-	-	8.41	-
			-	-	-	-	-
4	Jawananis Rafinasi (JMR)	YTD March 31, 2024	46.96	-	-	137.37	-
		YTD March 31, 2023	51.13	-	-	115.41	-
			-	-	-	-	-
5	BIDCO Uganda Limited, Uganda	YTD March 31, 2024	4.65	-	-	9.21	-
		YTD March 31, 2023	11.75	-	-	10.38	-
			-	-	-	-	-
6	MW Rice Millers Limited	YTD March 31, 2024	-	-	-	-	-
		YTD March 31, 2023	1.67	-	-	0.09	-
			-	-	-	-	-
7	SANIA Cie	YTD March 31, 2024	44.62	-	-	30.12	-
		YTD March 31, 2023	1.19	-	-	14.14	-
			-	-	-	-	-
			-	-	-	-	-
9	Wilmar Africa Limited	YTD March 31, 2024	8.43	-	-	6.69	-
		YTD March 31, 2023	35.26	-	-	26.03	-
			-	-	-	-	-
10	Repi Soap & Detergent PLC- Ethiopia	YTD March 31, 2024	-	-	-	-	-
		YTD March 31, 2023	-	-	-	-	-
			-	-	-	-	-
11	PT Duta Sugar International- Indonesia	YTD March 31, 2024	-	-	-	-	-
		YTD March 31, 2023	0.40	-	-	-	-
			-	-	-	-	-
12	LLC Delta Wilmar, Ukraine	YTD March 31, 2024	-	-	-	-	-
		YTD March 31, 2023	2.95	-	-	1.49	-
			-	-	-	-	-
13	Global Industries Limited, Zambia	YTD March 31, 2024	11.39	-	-	6.98	-
		YTD March 31, 2023	67.06	-	-	39.40	-
			-	-	-	-	-
14	Wilmaco Food Industries	YTD March 31, 2024	-	-	-	21.19	-
		YTD March 31, 2023	5.93	-	-	-	-
			-	-	-	-	-
15	Wilmar Processing SA (Pty) Ltd	YTD March 31, 2024	8.02	-	-	2.47	-
		YTD March 31, 2023	195.44	-	-	35.47	-
			-	-	-	-	-
16	PT MULTI NABATI SULAWESI	YTD March 31, 2024	4.97	-	-	3.48	-
		YTD March 31, 2023	-	-	-	1.50	-
			-	-	-	-	-
17	WILMAR EDIBLE OILS PHILIPPINES, INC	YTD March 31, 2024	3.06	-	-	2.67	-
		YTD March 31, 2023	-	-	-	0.29	-
			-	-	-	-	-
18	PT WILMAR NABATI	YTD March 31, 2024	0.04	-	-	0.04	-
		YTD March 31, 2023	0.11	-	-	-	-
			-	-	-	-	-
19	WILMAR SA PTY LTD	YTD March 31, 2024	8.02	-	-	2.47	-
		YTD March 31, 2023	-	-	-	7.28	-
			-	-	-	-	-
20	PT WILMAR BIOENERGI INDONESIA	YTD March 31, 2024	9.84	-	-	7.13	-
		YTD March 31, 2023	-	-	-	2.62	-
21	Wilmar Rice Tanzania Ltd.	YTD March 31, 2024	65.54	-	-	77.56	-
		YTD March 31, 2023	-	-	-	-	-
22	AW FOOD INGREDIENTS SA	YTD March 31, 2024	-	-	-	21.19	-
		YTD March 31, 2023	-	-	-	-	-
23	Surface Wilmar Pvt. Ltd.	YTD March 31, 2024	0.20	-	-	1.55	-
		YTD March 31, 2023	-	-	-	-	-

Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

Break-up of amounts owed to and by related parties as at 31st March 2024 and 31st March 2023 are as follows:

Particulars	Amount receivable from related party(gross of impairment allowance, if any)		Impairment allowance		Net carrying amount	
	As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023
Trade Receivables (Refer note 8)						
Holding Company						
Shree Renuka Sugars Limited	11,59,04,700	27,22,06,772	-	-	11,59,04,700.47	27,22,06,772
Affiliate companies: (Refer note 8)						
Bright Agrocomm DMCC	-	-	-	-	-	-
Bidco Uganda Limited	-	20,30,103	-	-	-	20,30,103.18
Ghana Specialty Fats Industries Ltd	-	-	-	-	-	-
MW Rice Millers Limited	-	-	-	-	-	-
PT Jawanani Rafinasi (JMR)	-	2,32,01,675	-	-	-	2,32,01,674.93
Gokak Sugars Ltd	21,57,448	9,28,229.44	-	-	21,57,448.28	9,28,229.44
Adani Willmar Ltd	1,06,92,027	2,44,15,244	-	-	1,06,92,027.34	2,44,15,243.95
Sania CIE	12,04,203	-	-	-	12,04,203.00	-
	12,99,58,379	32,27,82,023	-	-	12,99,58,379	32,27,82,023

Particulars	As at 31st March 2024	As at 31st March 2023
Non current borrowings		
Holding Company: (Note 13)		
Shree Renuka Sugars Limited	69,30,54,637	59,80,54,637
	-	-
Other Current Liabilities		
Holding Company (Note 20)		
Shree Renuka Sugars Limited	6,21,51,303	6,70,07,129
	-	-
Affiliate companies: (Note 20)		
Bidco Uganda Limited	78,89,749.9	43,20,000
Ghana Specialty Fats Industries Ltd	-	-
MW Rice Millers Limited	-	-
PT Duta Sugar International	-	-
PT Jawanani Rafinasi (JMR)	15,97,50,468	8,24,70,735
Repi Soap and Detergent PLC	-	-
Wilmar Africa Limited	-	17,38,922
Adani Willmar Ltd	3,07,800	93,32,777
Global Industires Limited	-	26,44,608
Wilmar Continental	-	-
Gokak Sugars Ltd	6.72	-
Wilmaco Food Industries	-	-
Wilmar Processing SA (Pty) Ltd	-	-
LLC Delta Wilmar, Ukraine	-	-
PT MULTI NABATI SULAWESI	-	14,95,292
PT WILMAR BIOENERGI INDONESIA	-	26,24,505
SANIA Cie	-	1,29,76,344
WILMAR EDIBLE OILS PHILIPPINES, INC	-	2,94,301
WILMAR INDUSTRIES ZAMBIA LTD	15,23,702.40	41,53,362
WILMAR SA PTY LTD	18,72,252.75	72,84,372
Surface Wilmar Pvt.ltd.	13,47,179	-
Wilmar Rice Tanzania Ltd.	1,20,42,815	-
Wilmar Sugar PTY Ltd	9,14,320	-
AW FOOD INGREDIENTS SA	2,11,86,298	-
	96,20,40,532.36	79,43,96,984.83

Notes to financial statements for the year ended March 31, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note 34 - Segment information

The Management Committee monitors the operating results of its business units for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

Primary Segment Reporting for the year ended 31st March 2024 and 31st March 2023

Particulars	Year ended 31st March 2024	Year ended 31st March, 2023	Year ended 31st March 2024	Year ended 31st March, 2023
	Engineering	Engineering	Total	Total
Revenue				
Segment Revenue	2,449.00	4,599.38	2,449.00	4,599.38
Inter-segment sales	-	-	-	-
Total Revenue	2,449.00	4,599.38	2,449.00	4,599.38
Segment Results	56.95	165.34	56.95	165.34
Unallocated corporate expenses	-	-	-	-
Operating profit			56.95	165.34
Finance costs			87.80	85.79
Foreign currency and derivative (gain)/loss (net)			3.64	(16.55)
Other income			20.72	39.44
Profit from ordinary activities			(13.78)	135.55
Exceptional items			-	-
Profit/ (Loss) from continued operations			(13.78)	135.55
Total Profit/ (Loss) before tax			(13.78)	135.55
Depreciation	9.89	8.62	9.89	8.62
Unallocated corporate depreciation	-	-	-	-
Total Depreciation	9.89	8.62	9.89	8.62
Capital expenditure	8.40	12.67	8.40	12.67
Unallocated corporate capital expenditure	-	-	-	-
Total Capital Expenditure	8.40	12.67	8.40	12.67

Other Information

	Year ended 31st March 2024	Year ended 31st March, 2023	Year ended 31st March 2024	Year ended 31st March, 2023
	Engineering	Engineering	Total	Total
Segment assets	1,383.95	1,855.78	1,383.95	1,855.78
Unallocated corporate assets	-	-	136.69	350.74
Total Assets	1,383.95	1,855.78	1,520.64	2,206.52
Segment liabilities	809.68	1,439.46	809.68	1,439.46
Unallocated corporate liabilities	-	-	770.43	661.34
Total Liabilities	809.68	1,439.46	1,580.11	2,100.80

Reconciliations to amounts reflected in the financial statements**Reconciliation of assets**

	Year ended 31st March 2024	Year ended 31st March, 2023
Segment operating assets	1,383.95	1,855.78
Cash and cash equivalents	0.54	106.77
Other Bank balances	52.45	7.89
Other non current assets	7.42	7.61
Deferred Tax Assets	76.29	228.67
Total assets	1,520.64	2,206.52

Reconciliation of liabilities

	Year ended 31st March 2024	Year ended 31st March, 2023
Segment operating liabilities	809.68	1,439.46
Non-current borrowings	693.06	600.00
Current borrowings	77.37	61.34
Deferred Tax liabilities	-	-
Total Liabilities	1,580.11	2,100.80

Revenue from customers

	Year ended 31st March 2024	Year ended 31st March, 2023
India	1,799.06	3,224.04
Outside India	649.93	1,375.34
Total revenue	2,448.99	4,599.38

Total assets

	Year ended 31st March 2024	Year ended 31st March, 2023
India	1,117.08	2,166.56
Outside India	403.56	39.96
Total assets	1,520.64	2,206.52

Total liabilities

	Year ended 31st March 2024	Year ended 31st March, 2023
India	1,160.77	2,073.97
Outside India	419.34	26.83
Total liabilities	1,580.11	2,100.80

Note 35 : Leases

All amounts in million Indian Rupees, unless otherwise stated

Company as a lessee

The Company has lease contracts for building. Leases of building is for generally 3 years and 5 years. The company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.

The Company also has certain leases of building and leases of office with lease terms of 12 months or less . The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Fair value measurement using			
	Land	Buildings	Plant	Total
ROU assets recognised as on 1st April 2023		5.20		5.20
Prepayments capitalised as ROU	-	-	-	-
ROU assets recognized to the extent of ROU liabilities	-	-	-	-
Transfer to ROU assets*	-	-	-	-
ROU assets derecognized				
Total	-	5.20	-	5.20
Additions	-	-	-	-
Depreciation expense	-	(2.40)	-	(2.40)
Impairment recognised during the year	-	-	-	-
As at 31st March 2024	-	2.80	-	2.80

*Net of accumulated depreciation

Set out below are the carrying amounts of lease liabilities (included under the head non-current and current financial liabilities) and the movements during the period:

As at 1st April' 2023	5.57
Additions	-
Deletion	-
Accretion of interest	0.47
Payments	(2.75)
As at 31st March 2024	3.29

Particulars	Up to 1 year	Between 1-2 year	Between 2-5 year	Over 5 year
Lease Liability	3.29	-	-	-

The following are the amounts recognised in profit or loss:

	Year ended 31st March 2024	Year ended 31 st March 2023
Depreciation expense of right-of-use assets	2.40	2.00
Interest expense on lease liabilities	0.47	0.56
Expense relating to short-term leases and low value leases	0.49	0.65
Total amount recognised in profit or loss	3.36	3.21

The Company had total cash outflows for leases of INR 3.24 Million during the year ended 31st March 2024 (previous year : INR 2.85 during the financial year 31st March 2023). The Company do not have any future cash outflows relating to leases that have not yet commenced.

The Company has certain lease contracts that are non-cancellable for fixed period and considered will be terminated after completion of non-cancellable period.

Note 36: Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognised in financial statements.

	Carrying Value		Fair Value	
	As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023
Financial assets				
Other financial assets at amortised cost	-	-	-	-
Loans	-	-	-	-
Trade receivables	774.45	907.21	774.45	907.21
Cash and cash equivalents	0.54	106.77	0.54	106.77
Other Bank balances	52.45	7.89	52.45	7.89
Other financial assets	1.73	36.98	1.73	36.98
Total financial assets	829.17	1,058.85	829.17	1,058.85
Financial liabilities	-	-	-	-
At amortised cost	-	-	-	-
Borrowings				
Other borrowings at floating rate of interest	770.43	661.34	770.43	661.34
Trade payables	256.03	222.04	256.03	222.04
Other financial liabilities	4.78	10.19	4.78	10.19
Total financial liabilities	1,031.24	893.57	1,031.24	893.57

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts. The fair value are classified under Level 2 Fair value hierarchy.

Note 37: Financial risk management objectives and policies

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior management oversees the management of these risks and the appropriate financial risk governance framework for the Company. The senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The board of directors reviews and agrees for managing each of these risks.

Foreign exchange exposure and risk

Foreign currency risk is the risk that the fair value or future cash flows of an 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 ECB loan of USD 300 million availed from its holding company Wilmar Sugar Holdings Pte. Ltd and receivables and payables.

The Company manages its foreign currency risk by hedging for period of 6 months. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions, the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable against operating activities.

The Company hedges its exposure to fluctuations on the translation into INR of its foreign operations by holding net borrowings in foreign currencies and by using foreign currency forwards.

At 31 March 2022, the Company fully hedged against outstanding ECB loan for 5 months and also hedged against receivable against future for 1 to 3 months. This foreign currency risk is hedged by using foreign currency forward contracts.

Foreign currency sensitivity:

As at 31st March 2024, net exposure of the Company to asset and liabilities is as follows:

Currency	Assets as at		Liabilities as at	
	As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023
United States Dollar (USD)	1.15	2.31	-	3.90
European Union (EURO)	-	0.15	-	-

5% increase and decrease in the foreign exchange rates will have the

Currency	Sensitivity Analysis Assets		Sensitivity Analysis Liabilities	
	As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023
Increase by 5%				
United States Dollar (USD)	0.06	0.12	-	0.20
European Union (EURO)	-	0.01	-	-
Decrease by 5%				
United States Dollar (USD)	(0.06)	(0.12)	-	(0.20)
European Union (EURO)	-	(0.01)	-	-

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 three types of risk: interest rate risk, currency risk and other risks, such as equity price risk and commodity price risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations. The Company manages its interest risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity		All amounts in million Indian Rupees, unless otherwise stated		
	As at 31st March 2024	Composition	As at 31st March 2023	Composition
Borrowing - Fixed interest rate	693.06	89.96%	603.34	91.23%
Borrowing - Floating interest rate	77.37	10.04%	58.00	8.77%
	770.43		661.34	

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on loans and borrowings with variable interest rates. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in basis points	Effect on profit before tax
31st March 2024		
INR	50	0.39
31st March 2023		
INR	50	0.29

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, thereby leading to a financial loss. The Company conduct thorough credit assessments before granting credit terms and limits to customers, who are then monitored closely for adherence. Company's export sales are majorly against advance or receipt against documents. The Company's domestic sugar sales are majorly to corporate customers after through credit assessments there by credit default risk is not significant and other domestic sales are on advance collections. Further, ethanol being sold to public sector undertakings and Power is supplied to corporations run by state government, thereby the credit default risk is significantly mitigated.

Trade receivables

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The ageing analysis of the receivables (net of expected credit loss) has been considered from the date the invoice falls due.

The ageing is as follows:

	As at 31st March 2024	As at 31st March 2023
Up to 6 months	643.96	876.69
More than 6 months	130.50	30.52
	774.46	907.21

Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, financial support from parents etc. The Company's policy is that not more than 25% of borrowings should mature in the next 12 month period. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted cash flows.

	Less than 1 year	1 to 5 years	>5 years	Total
As at 31st March 2024				
Borrowings	77.37	693.06	-	770.43
Trade and other payables	256.03	-	-	256.03
Lease liabilities	3.29	-	-	3.29
Other financial liabilities	1.49	-	-	1.49
Total	338.18	693.06	-	1,031.24
As at 31st March, 2023				
Borrowings	61.34	600.00	-	661.34
Trade and other payables	222.04	-	-	222.04
Lease liabilities	2.25	2.79	0.54	5.58
Other financial liabilities	4.63	-	-	4.63
Total	290.26	602.79	0.54	893.59

KBK CHEM ENGINEERING PRIVATE LIMITED**Notes to financial statements for the year ended 31st March 2024**

All amounts in million Indian Rupees, unless otherwise stated

Note 38: Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of Company's management is to maximise shareholder's value.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no significant breaches in the financial and non financial covenants of any interest-bearing loans and borrowing in the current period.

The Company manages its capital structure and makes adjustments in light of changes in the financial condition.

The calculation of capital for the purpose of capital management is as follows:

	As at 31st March 2024	As at 31st March, 2023
Equity share capital	39.98	39.98
Other equity (including securities premium)	(99.44)	65.75
	(59.46)	105.73

Gearing ratio

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

Debt equity ratio

The debt-to-equity (D/E) ratio is calculated by dividing a company's total liabilities by its shareholder equity. The ratio is used to evaluate a company's financial leverage.

	As at 31st March 2024	As at 31st March, 2023
Equity	39.98	39.98
Other equity	(99.44)	65.75
	(59.46)	105.73
Total borrowings	770.43	661.34
Debt equity ratio	(12.96)	6.25

KBK CHEM ENGINEERING PRIVATE LIMITED**Notes to financial statements for the year ended 31st March 2024**

All amounts in million Indian Rupees, unless otherwise stated

Note 39: Ratio Analysis and its elements

Ratio	Numerator	Denominator	31-Mar-24	31-Mar-23	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	1.49	1.23	21%	
Debt- Equity Ratio	Total Debt	Shareholder's Equity	(12.96)	6.26	-307%	Change in debt-equity ratio is decreased due to reversal of DTA during current year resulted into Negative Other Equity
Debt Service Coverage ratio	Earnings before interest, Depreciation and Tax (EBITDA)	Interest Expense on long term and short term borrowings for the period+ Schedule principal repayment of long term borrowings during the period	0.98	2.93	-67%	Change in debt service coverage ratio is on account of decrease in EBITDA for the current year
Return on equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	(7.17)	(0.31)	2204%	Change in Return on Equity ratio on account of decrease in profit due to reversal of DTA in current year
Inventory turnover ratio	Cost of goods sold	Average Inventory	15.27	10.85	41%	Change in inventory turnover ratio is attributable due to decrease in proportionate cost of goods sold in current year
Trade receivables turnover ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	2.91	6.13	-53%	Change in trade receivables turnover ratio is attributable due to decrease in Debtors
Trade payables turnover ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	6.39	14.44	-56%	Change in trade payables turnover ratio is attributable to decrease in purchases, which is driven by decrease in turnover.
Net capital turnover ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	5.70	13.66	-58%	Change in net capital turnover ratio is attributable to increased in Working capital.
Net profit ratio	Net Profit	Net sales = Total sales - sales return	(0.07)	0.02	-414%	Net profit ratio has decrease on account of reversal of DTA in current year
Return on capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax	0.10	0.29	-64%	decrease in return on capital employed is on account of Net loss incurred during the year.

Notes to financial statements for the period ended March 31, 2024

All amounts in Indian rupees, unless otherwise stated

Note 40 - Other Statutory Information

- (i) There are no proceedings initiated or are pending against the company for holding any benami property under the prohibition of Benami Property Transaction Act, 1988 and rules made thereunder.
- (ii) The company does not have any transaction with companies stuck off.
- (iii) The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The company has not traded or invested in Crypto currency or Virtual currency during the financial year.
- (v) The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall : (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries)) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The company has not received any fund from any person(s) or entity (ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the company shall : (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- (viii) There were no Scheme of Arrangements which has been approved by the Competent Authority in terms of section 230 to 237 of the Companies Act, 2013 during the year.
- (ix) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017
- (x) The company has applied for Capital Reduction by adjusting carryforward loss of Rs. 1088.55 million against Securities Premium as on 31st Dec 2022 with the National Company Law Tribunal (NCLT). The order is released on 23rd Feb 2024 stating Securities Premium to be adjusted with Rs. 1088.55 million for carryforward losses. The same is presented in current year's financial statements.

To be read with our report of even date For and on behalf of Board of directors of
For K N Prabhashankar & Co. KBK Chem Engineering Pvt. Ltd.

To be read with our report of even date

For K N Prabhashankar & Co.

Chartered Accountants

Firm Regn.No : 0049825

PRABHASHANKAR
R K N

K.N. Prabhashankar

Partner

Membership No.019575

Place : Mumbai

Date : 27-5-2024

For and on behalf of the Board of directors of
KBK Chem Engineering Pvt. Ltd.

Vijendra Singh

Vijendra Singh

Whole-time Director

DIN : 03537522

Digitally signed
by Vijendra
Singh
Date: 2024.05.27
22:29:12 +05'30'

Sunil Sakharam Kadam

Sunil Kadam

Director

DIN : 00212461

Digitally signed
by Sunil
Sakharam Kadam
Date: 2024.05.27
22:33:35 +05'30'