CHEMFAB ALKALIS KARAIKAL LIMITED

6th Annual Report

Financial Year - 2024-25

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CHEMFAB ALKALIS KARAIKAL LIMITED

Regd. Office: 'TEAM House', GST Road, Vandalur, Chennai-600 048

CIN: U24100TN2019PLC133285

NOTICE OF THE SIXTH ANNUAL GENERAL MEETING

Notice is hereby given that the Sixth Annual General Meeting of the Company will be held on 8th September, 2025 at 3:00 PM (IST) through Video Conference (VC) /Other Audio – Video Means ("OAVM"), to transact the following business: -

ORDINARY BUSINESS:

1. ADOPTION OF THE FINANCIAL STATEMENTS FOR THE FINACIAL YEAR ENDED 2024-25

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

"RESOLVED THAT the Audited Financial Statements i.e., Statement of the Profit & Loss Account, Balance Sheet and Cash Flow Statements of the Company as at 31st March 2025, together with the Reports of the Board of Directors ("the Board") and the Auditors thereon be and are hereby approved and adopted.

2. RETIREMENT BY ROTATION:

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

"RESOLVED THAT Mr. Suresh Krishnamurthi Rao (DIN: 00127809) Director, who retires by rotation being eligible, offers himself for reappointment, be and is hereby re-appointed as Director of the Company liable to retire by rotation."

3. **RE-APPOINTMENT OF THE STATUTORY AUDITOR OF THE COMPANY**

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

"**RESOLVED THAT** pursuant to provisions of Section 139, 141 and 142 and other applicable provisions, if any, of the Companies Act, 2013 & Rules framed there under and as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), M/s. Deloitte Haskins & Sells LLP (Firm Registration No 117366W /W-100018) be and are hereby re-appointed as the Statutory Auditors of the company for the second term of five years from the conclusion of this Annual General Meeting till the conclusion of the 11th Annual General Meeting at a remuneration as may be fixed by the Board of Directors in consultation with them.

By Order of the Board of Directors for
Chemfab Alkalis Karaikal Limited

----SD---
Bharatraj Panchal
Company Secretary

Place: Chennai
Date: 31st July, 2025

NOTES:

1. The Ministry of Corporate Affairs, Government of India ("MCA") vide its circular dated September 19, 2024, read with circulars dated December 28, 2022, May 5, 2020, April 13, 2020 and April 8, 2020 (collectively referred to as "MCA Circulars") has permitted the holding of the Annual General Meeting ("AGM" or "Meeting") through Video Conferencing facility/ Other Audio Visual Means ("VC/OAVM") on or before September 30, 2025, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act") and MCA Circulars, the AGM of the Company is being held through VC / OAVM. Since the 6th AGM is being held through VC/OAVM Facility, the Route Map is not annexed in this Notice.

2. The deemed venue for e-AGM shall be the registered office of the Company i.e. 'TEAM House', GST Road, Vandalur, Chennai-600 048

3. Since, the AGM is being conducted through VC/OAVM, there is no provision for appointment of proxies. Accordingly, appointment of proxies by the members will not be available.

4. Corporate members intending to attend the AGM through authorised representatives are requested to send a scanned copy of duly certified copy of the board or governing body resolution authorising the representatives to attend and vote at the AGM. The said Resolution/ Authorization shall be sent to the Company Secretary of the Company to ccalcosecy@ccal.in.

5. Members holding shares in electronic form are advised to notify the changes, if any, in their address/ bank details/ mandate to their respective depository participants.

6. The statutory register maintained under Section 189 of the Companies Act, 2013 and Section 170 of the Companies Act, 2013, and all documents referred to in the Notice and accompanying explanatory statements will be available for inspection

by members in electronic mode. Members can inspect the same by sending an email to the Company Secretary of the Company at ccalcosecy@ccal.in.

7. In compliance with the aforesaid MCA Circulars the Directors Report including audited financial statements for the financial year 2024-25 including notice of 6th AGM is being sent only through electronic mode.

8. Notice for convening the 6th Annual General Meeting of the Company being circulated to the members of the Company is also available on the Company's website.

9. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

10. In case of any further query/ information required, please contact through email at

11. The disclosure on Explanatory Statement as required under Section 102 of the Companies Act, 2013 and Secretarial Standards is not applicable to the Company in there are no special businesses set out in the Notice.

12. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

a) Shareholder will be provided with a facility to attend the AGM through VC/OAVM. The link for VC/OAVM will be provided separately through email.

b) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

c) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

d) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

DIRECTORS' REPORT

DEAR SHAREHOLDERS,

Your Directors have the pleasure of presenting the Sixth Annual Report of Chemfab Alkalis Karaikal Limited along with the Audited financial statements for the year ended 31st March 2025. The summarized financial results for the Financial Year are as under:

FINANCIAL SUMMARY:

Particulars	(Rs. In Lakhs)	
	Year Ended. 31st March 2025	**Year Ended. 31st March 2024**
Total Revenue	1,174.17	0.90
Profit/ (Loss) before Finance Cost and Depreciation	(774.51)	(296.82)
Less: Finance Cost	43.78	1.14
Profit/(Loss) Before Depreciation	(818.29)	(297.96)
Less: Depreciation	395.23	50.07
Profit/(Loss) Before Exceptional Items	(1213.52)	(348.03)
Exceptional Items	(988.77)	-
Profit/(Loss) Before Tax	(2,202.29)	(348.03)
Less: Tax including Deferred Tax	2.69	18.38
Profit/(Loss) After Tax	(2,204.98)	(366.41)
Other Comprehensive Income	-	-
Total Comprehensive Income	(2,204.98)	(366.41)
Summary of Retained Earnings Movement:		
Balance brought forward from last year	(562.51)	(196.10)
Profit/(Loss) after tax	(2,204.98)	(366.41)
Less: Appropriations	-	-
Balance Carried to Balance Sheet	(2,767.49)	(562.51)

PERFORMANCE AND STATE OF AFFAIRS OF THE COMPANY:

Your Company was incorporated on 19th December 2019 as a wholly owned subsidiary of Chemfab Alkalis Limited. The company commenced the commercial production of Aluminium Chloride on 21st February 2024.

CAPITAL STRUCTURE

During the year under consideration, the Authorised share capital and Paid-up Share capital of the Company was increased to factor the allotment of preference shares to Chemfab Alkalis Limited (Holding Company), however there was no change in equity paid up capital.

The Capital structure stands as stated below:

Particulars	Authorised Share Capital		Paid up Capital	
	Preference	Equity	Preference	Equity
At the beginning of the financial year 1.04.2025	Rs. 1,00,00,00,000 (divided into 10,00,00,000 preference shares of Rs. 10 each)	Rs. 5,32,00,000 (divided into 53,20,000 equity shares of Rs. 10 each	Rs. 1,00,00,00,000 (divided into 10,00,00,000 preference shares of Rs. 10 each)	Rs. 5,32,00,000 (divided into 53,20,000 equity shares of Rs. 10 each
Changes during the year 1. Authorised share capital for preference shares was increased from existing Rs. 100 Crores to Rs. 150 Crores vide Board meeting held on 22nd May, 2024. 2. Allotment of preference shares to Holding Company vide Board meeting held on 7th June, 2024 (Rs. 38 Crores) and 8th August, 2024 (Rs. 6 Crores) on preferential basis)	Rs. 50,00,00,000 (divided into 5,00,00,000 preference shares of Rs. 10 each	NIL	Rs. 44,00,00,000 (divided into 4,40,00,000 preference shares of Rs. 10 each)	NIL
Closing balance as on 31.03.2025	Rs. 1,50,00,00,000 (divided into 15,00,00,000 preference shares of Rs. 10 each	NIL	Rs. 1,44,00,00,000 (divided into 14,40,00,000 preference shares of Rs. 10 each	NIL

CHANGE IN THE NATURE OF BUSINESS:

During the year under review, there is no change in nature of business of your Company.

CHANGE IN THE REGISTERED OFFICE OF THE COMPANY:
There was no change in the registered office of the Company during the financial year 2024-2025.

DIVIDEND:

During the Financial Year ended, the Board has not declared any dividend.

MATERIAL CHANGE AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

No material changes have occurred, or commitments have been made between the financial period ended 31st March 2025 and the date of the report which affects the financial position of the Company.

RISK MANAGEMENT POLICY:

The Company has a risk management framework in place wherein the elements of risks to the business of the Company, or which may threaten the existence of the Company are identified and ways to mitigate and reduce the risks are reported. The said framework is operational and commensurate to size of operation's of the company.

CORPORATE SOCIAL RESPONSIBILITY:

The provisions on Corporate Social Responsibility are not applicable to the Company.

Transfer of profit to reserves:

The Company has not proposed to transfer any of its profits to reserves.

Disclosure on Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has in place a Sexual Harassment Policy in line with the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Internal Compliant Committee (ICC) has been set up to redress the complaints received in connection with sexual harassment in any form.

All employees (permanent, contractual, temporary, trainees) are covered under this policy.

a. Number of complaints filed during the financial year - NIL
b. Number of complaints disposed of during the financial year – NIL
c. Number of complaints pending as of the end of the financial year – NIL

BOARD OF DIRECTORS

A. COMPOSITION OF THE BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL INCUDING CHANGES, IF ANY

The Board of Directors of the Company comprises of three Non - Executive Directors with one Independent Director. The composition of the Board of Directors complies with Section 149(1) of the Companies Act, 2013. Pursuant to section 149(7) of the Companies Act, 2013, the Company has received necessary declarations for meeting the criteria of independence from the Independent Director. During the year under review, there were no changes in the composition of Board of Directors except that after the financial year there was change in Company Secretary as stated below:

BOARD COMPOSITION

Name of Directors	Category
Mr. Suresh Krishnamurthi Rao	Chairman, Non - Executive & Non - Independent Director
Mr. R. Mahendran	Non - Executive & Non - Independent
Mrs. Sujatha Jayarajan	Non - Executive & Independent Director

Name of the KMPs	Designation
V.M. Srinivasan	Chief Executive Officer
S. Prasath	Chief Financial Officer
B. Vignesh Ram (till 18.04.2025)	Company Secretary
Bharatraj Panchal (w.e.f. 31.07.2025)	Company Secretary *

*As on the date of this report.

MEETINGS DETAILS:

The number of Board Meetings held during the year along with the dates of the meetings: (Disclosure in according to Sec.134 (3)(b) of the Companies Act, 2013)

During the Financial Year 2024-25, the Board of **Chemfab Alkalis Karaikal Limited** met four times as under:

Sl. No	Dates of meetings of the Board	No. of Directors on the date of Meeting	Total No. of Directors attended
1	22nd May 2024	4	4
2	08th August 2024	4	4
3	04th November 2024	4	4
4	30th January 2025	4	4

The Company has only one Independent Women Director in accordance with the applicable provisions of Companies Act, 2013. Hence convening of separate meeting of Independent Directors in compliance with Companies Act, 2013 read with applicable schedule IV thereunder doesn't arise.

A. **Re-appointment of Directors Retiring by Rotation**

In terms of Section 152 of the Companies Act, 2013, Mr. Suresh Krishnamurthi Rao (DIN: 00127809) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors, based on the recommendation of Nomination and Remuneration Committee has recommended the re-appointment of Mr. Suresh Krishnamurthi Rao (DIN: 00127809) retiring by rotation.

B. Committees of the Board

The constitution and terms of reference of Audit Committee (Section 177), Nomination and Remuneration Committee (Section 178), Stakeholders Relationship Committee (Section 178), and Corporate Social Responsibility Committee (Section 135) are not applicable as per Companies Act 2013.

C. Performance Evaluation

Pursuant to Companies Act, 2013, the annual evaluation by the Board of its own performance and that of the individual directors including independent Director is conducted through a process of assessment questionnaire.

D. Directors' Responsibility Statement

(Disclosure in according to 134(3)(c) of the Companies Act, 2013)

As required under Section 134(5) of the Companies Act, 2013, the Board of Directors hereby confirm, that -

(a) In the preparation of the Annual Accounts, the applicable accounting standards were 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 to give a true and fair view of the state of the affairs of the Company at the end of the Financial Year and of the profit of the Company for the Financial Year 2024-25.

(c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records as per the provisions of the 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.

E. Changes in Subsidiaries, Joint Ventures, and Associates

Your Company does not have any Subsidiaries, Joint ventures, or Associates during the year 2024-2025.

F. Significant or Material Orders Passed by Regulators / Courts

During the year, there were no instances of significant and material orders passed by the regulators, courts, or tribunals on the Company.

G. Details in respect of Frauds

The Company's auditor report does not have any statement on suspected fraud in the company operations to explain as per Sec. 134(ca) of the Companies Act 2013.

H. Details of contracts or arrangements with related parties:

The contracts or arrangements entered into with related parties along with justification for entering such contract or arrangement, referred to in sub-section (1) of section 188 in the prescribed form no. AOC 2 is as per **Annexure B.**

I. Technology absorption, Conservation of energy, and Research and development and foreign exchange earnings and outgo:

The company is looking for a viable opportunity to advance in technical absorption, conservation of energy, and research and development. During the financial year 2024-25, the Company doesn't have any foreign exchange earnings, the outgo was Rs. 3174 Lakhs.

AUDIT RELATED MATTERS:

A. Statutory Auditors

M/s. Deloitte Haskins & Sells LLP, Chennai (Firm Registration No 008072S) were appointed by Shareholders in the Annual general meeting (AGM) for a period of 5 years from the conclusion of 01st AGM till the conclusion of the 06th AGM. Accordingly, the Board at its meeting held on 14th May, 2025 have recommended the appointment of M/s. Deloitte Haskins & Sells LLP, Chennai (Firm Registration No 008072S) for shareholders' approval for second term of 5 years, w.e.f. conclusion of 6th AGM till the conclusion of 11th AGM of the Company. The Auditors have issued a unqualified report for the financial year ended March 31, 2025 which is enclosed as Annexure C.

B. Cost Auditor:

The Company is not required to prepare and maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

C. Secretarial Audit Report:

During the year under review, the Secretarial Audit was applicable to the Company. There were no observations/qualifications reported by the Secretarial Auditors and an unqualified Secretarial Audit report was submitted by M/s. V. Suresh & Associates, Secretarial Auditor of the Company for the Financial Year ended 31st March 2025 which is enclosed as Annexure B.

D. Internal Financial Controls

Your Company has well-defined and adequate internal controls and procedures, commensurate with its size and the nature of its operations.

OTHER MATTERS

A. Particulars of loans, guarantees, or investments u/s 186 of the Companies Act, 2013

During the year under review, the Company did not provide loans, guarantees, or investment u/s 186 of the Companies Act 2013.

B. Remuneration details of Directors and Employees

As on 31st March 2025, the Company has 37 employees on the rolls. Further, there are no sitting fees for the Directors as well. Currently, the Holding Company has appointed a Chief Executive Officer, Chief Financial Officer, and Company Secretary as its representatives to manage the activities of the Company. There are no amounts payable for the period by the Company to the Chief Executive Officer, Chief Financial Officer, and Company Secretary.

C. Bonus Shares

During the year under review, the Company has not issued any bonus shares.

D. Deposits

The Company has not accepted any deposit in terms of Chapter V of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014, during the year under review and as such, no amount on account of principal or interest on public deposits was outstanding as of the balance sheet date.

E. Annual Return – MGT – 7

As per the provisions of section 134(3)(a) of the companies Act, 2013, the Annual Return of the Company is available on our website at www.chemfabalkalis.com/investors.

F. Statement on Secretarial Standards

The Company is in compliance with applicable secretarial standards.

G. Details of application made or proceedings under IBC 2016 during the year:

The Company has not applied any application under Insolvency and Bankruptcy code,2016.

H. Details of one-time settlement and the valuation done while taking loan from Banks and Financial Institutions:

The company has not entered into a one-time settlement with any Banks & Financial Institutions during the Financial Year 2024-25.

Acknowledgment:

Your directors would like to place on record their appreciation to Bankers, Financial Institution, stakeholders, consultants, vendors, and all other Governmental and Statutory agencies for their cooperation and invaluable support.

For and on behalf of the Board of Directors of
CHEMFAB ALKALIS KARAIKAL LIMITED

SD/-
SURESH KRISHNAMURTHI RAO
CHAIRMAN
DIN No: 00127809

Date: 31st July 2025
Place: Chennai

Annexure A

AOC 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto.

Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements, or transactions entered during the period ended 31st March 2025 which were not at arm's length basis.

Details of material contracts or arrangement or transactions at arm's length basis

There were no material contracts or arrangements, or transactions entered during the period ended 31st March 2025, which were at arm's length basis.

For and on behalf of the Board of Directors of
CHEMFAB ALKALIS KARAIKAL LIMITED

SD/-

SURESH KRISHNAMURTHI RAO
CHAIRMAN
DIN No: 00127809

Date: 31st July 2025
Place: Chennai

Annexure B

Form No. MR-3
SECRETARIAL AUDIT REPORT
For the Financial Year 2024-25
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
M/s. CHEMFAB ALKALIS KARAIKAL LIMITED

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. CHEMFAB ALKALIS KARAIKAL LIMITED (hereinafter called the Company)**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of **M/s. CHEMFAB ALKALIS KARAIKAL LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March 2025, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. CHEMFAB ALKALIS KARAIKAL LIMITED** ("the Company") for the financial year ended on 31st March 2025 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. **(Not applicable)**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable)**

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **(Not Applicable)**

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable)**

(d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the audit period)**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable)**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;**(Not Applicable)**

(g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable)**

(h) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **(Not Applicable)**

Other Laws specifically applicable to this Company is as follows:

1. Air (Prevention & Control of Pollution) Act 1981 and rules thereunder
2. Batteries (Management and Handling) Rules, 2001
3. Bio-Medical Waste Management Rules, 2016
4. Food Safety and Standards Act, 2006 and Rules 2011 along with regulations.
5. Hazardous and Other Wastes (Management and Trans boundary Movement) Rules, 2016
6. Industrial Disputes Act, 1947
7. Inter-State Migrant Workers (Regulation of Employment and Conditions of Services) Act, 1979
8. Fire Force Act, 1964
9. Shops and Commercial Establishment Acts, and
10. The Environment (Protection) Act, 1986
11. The Explosives Act, 1884
12. The Indian Boilers Act, 1923
13. Water (Prevention & Control of Pollution) Act 1974 and rules thereunder
14. Water (Prevention & Control of Pollution) Cess Act, 1977
15. Legal Metrology Act, 2009

16. Factories Act, 1948
17. Puducherry Ground Water (Control & Regulations) Act 2002.
18. The Manufacture, Storage and Import of Hazardous Chemicals Rules 1989 (MSIHC)
19. The Puducherry Municipality Act 1973
20. The Puducherry Town and Country Planning Act, 1969
21. The Puducherry (Public) Health Act, 1973
22. Tamil Nadu Municipal Act 1920

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India**.**

(ii) The Listing Agreements entered into by the Company **(Not Applicable)**

We further report that the Board of Directors of the Company is constituted with Executive Directors, Non-Executive Directors and Woman Director. There is no change in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, which is sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous, and therefore no dissenting views were required to be captured and recorded as part of the minutes.

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

For V Suresh Associates
Practising Company Secretaries

Place: Chennai
Date: 31.07.2025

--SD--
Udaya Kumar K R
Partner
FCS No.11533
C.P.No.21973
UDIN: F011533G000901389

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
The Members
M/s. CHEMFAB ALKALIS KARAIKAL LIMITED

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For V Suresh Associates
Practising Company Secretaries

Place: Chennai
Date: 31.07.2025

---SD--
Udaya Kumar K R
Partner
FCS No.11533
C.P.No.21973
UDIN: F011533G000901389

Deloitte Haskins & Sells

Chartered Accountants
ASV N Ramana Towers
52, Venkatnarayana Road
T.Nagar
Chennai-600 017
Tamil Nadu, India

Tel: +91 44 6688 5000

INDEPENDENT AUDITOR'S REPORT

To The Members of Chemfab Alkalis Karaikal Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Chemfab Alkalis Karaikal Limited** (the "Company"), which comprise the Balance Sheet as at 31 March 2025, and the Statement of Profit and Loss (including Other Comprehensive Loss), the Cash Flow Statement and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material 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 financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS")and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibility 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report including the annexures to the Board's report, but does not include the financial statements and our auditor's report thereon. The Board's report including the annexures to the Board's report is expected to be made available to us after the date of this auditor's report.

- Our opinion on the financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

- In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- When we read the Board's report including the annexures to the Board's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

Responsibilities of Management and Board of Directors for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements 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 and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 with reference to financial statements 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 the management.

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- 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 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls 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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for not keeping backup on a daily basis of such books of account maintained in electronic mode in a server physically located in India as referred in note 41 (xi) to the standalone financial statements and not complying with the requirement of audit trail as stated in (i)(vi) below.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.

   f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.

DELOITTE HASKINS & SELLS
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g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

h) 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, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

i. The Company does not have any pending litigations which would impact its financial position as at 31 March 2025.

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, other than as disclosed in the note 41 (vii) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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, other than as disclosed in the note 41 (viii) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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 performed 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.

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

v. The interim dividend, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the year ended 31 March 2025, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that:

- in respect of a software operated by a third-party software service provider, for maintaining payroll records, in the absence of an independent auditor's System and Organization Controls report covering the audit trail requirement for the period from 1 April 2024 till 31 March 2025, we are unable to comment whether the audit trail feature of the said software was enabled and operated during this period, for all relevant transactions recorded in the software and whether there was any instance of the audit trail feature been tampered with.

- in respect of a software managed by a third-party software service provider, for maintaining financial records, in the absence of an independent auditor's System and Organization Controls report covering the audit trail requirement for the period from 1 January 2025 till 31 March 2025, we are unable to comment whether the audit trail feature of the said software was enabled and operated during this period, for all relevant transactions recorded in the software and whether there was any instance of the audit trail feature been tampered with.

Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with, in respect of said accounting software for the period for which the audit trail feature was enabled and operating.

Additionally, the audit trail that was enabled and operated for the year ended 31 March 2024, has been preserved by the Company as per the statutory requirements for record retention, as stated in note 41 (xi) to the financial statements.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

P Usha Parvathy
Partner
Membership No. 207704
UDIN: **25207704BMOCZT7036**

Place: Chennai
Date: 14 May 2025

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

Deloitte
Haskins & Sells

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls with reference to financial statements of **Chemfab Alkalis Karaikal Limited** (the "Company") as at 31 March 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date..

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

DELOITTE HASKINS & SELLS ★ CHENNAI-17 ★ CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with reference to financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2025, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

P Usha Parvathy
Partner
Membership No. 207704
UDIN: **25207704BMOCZT7036**

Place: Chennai
Date: 14 May 2025

DELOITTE HASKINS & SELLS ★ CHENNAI-17 ★ CHARTERED ACCOUNTANTS

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

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

(b) The Company has a program of verification of property, plant and equipment and capital work in progress, so as to cover all the items once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were due for verification and were physically verified during the year by the Management. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) Based on the examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties, (other than those that have been taken on lease) disclosed in the financial statements included in property, plant equipment, capital work-in progress and non-current assets held for sale are held in the name of the Company as at the balance sheet date. In respect of immovable properties that have been taken on lease, the lease agreements are duly executed in favour of the Company. Immovable properties of land and buildings whose title deeds have been pledged as security for loans etc. are held in the name of the Company based on the confirmations directly received by us from lenders.

(d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2025 for holding any benami property under the Benami Transactions (Prohibition) Act,1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories except for goods-in-transit and stocks held with third parties, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. In respect of goods in- transit, the goods have been received subsequent to the year end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/alternate procedures performed as applicable, when compared with the books of account.

(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

(iii) The Company has not made investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.

(iv) According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of Section 185 or Section 186 of the Companies Act, 2013, and hence reporting under clause (iv) of the Order is not applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) Having regard to the size of the Company's business activities, reporting under clause (vi) of the Order on cost records is not applicable.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) There were no undisputed amounts payable in respect of Goods and Service tax, Income-tax and other material statutory dues in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.

(b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on 31 March 2025.

(viii) According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) According to the information and explanations given to us, in respect of borrowings;

(a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or Government or any Government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, the Company has not raised any fund on short-term basis and hence, reporting under clause (ix)(d) of the Order is not applicable.

(e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.

(f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.

DELOITTE HASKINS & SELLS ★ CHENNAI-17 ★ CHARTERED ACCOUNTANTS

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and up to the date of this report.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) The Company is not having an internal audit system owing to its size of operations, since the Company is not required to have an internal audit system under section 138 of the Companies Act, 2013, reporting under clause (xiv) of the Order is not applicable.

(xv) In our opinion, during the year the Company has not entered into any non-cash transactions with any of its directors or persons connected with such directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a,b,c) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order are not applicable.

(d) The group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the order is not applicable.

(xvii) The Company has incurred cash losses amounting to Rs. 1,749.19 Lakhs during the financial year covered by our audit and Rs. 318.07 Lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due. (Refer note 1.2 to financial statements)

(xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

P Usha Parvathy
Partner
Membership No. 207704
UDIN: **25207704BMOCZT7036**

Place: Chennai
Date: 14 May 2025

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

CHEMFAB ALKALIS KARAIKAL LIMITED
Balance Sheet as at 31 March 2025
CIN:U24100TN2019PLC133285

Particulars	Note No	As at 31 March 2025 Rs. In Lakhs	As at 31 March 2024 Rs. In Lakhs
I. ASSETS			
(1) Non - Current Assets			
(a) Property, Plant and Equipment	2	6,109.39	5,783.29
(b) Right of Use Assets	3	752.44	767.05
(c) Capital Work-In-Progress	4	284.99	1,672.15
(d) Financial Assets			
(i) Other Financial Assets	5	12.23	11.99
(e) Other Non - Current Assets	6	216.18	1,115.80
Total Non - Current Assets		**7,375.23**	**9,350.28**
(2) Current Assets			
(a) Inventories	7	408.96	58.39
(b) Financial Assets			
(i) Other Investments	8	147.25	85.72
(ii) Trade Receivables	9	69.83	-
(ii) Cash and Cash Equivalents	10A	28.00	19.49
(iii) Bank Balances other than (ii) above	10B	2.26	60.25
(iv) Other Financial Assets	11	0.20	1.52
(c) Other Current Assets	12	2,096.87	1,167.95
		2,753.37	1,393.32
Asset Classified as Held for Sale	13	3,942.99	-
Total Current Assets		**6,696.36**	**1,393.32**
TOTAL ASSETS		**14,071.59**	**10,743.60**
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	14	532.00	532.00
(b) Other Equity	15	(2,767.49)	(562.51)
Total Equity		**(2,235.49)**	**(30.51)**
(2) Liabilities			
Non- current Liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	3	-	3.30
(ii) Other Financial Liabilities	16	14,400.00	10,000.00
Total Non- current Liabilities		**14,400.00**	**10,003.30**
Current liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	3	3.30	7.21
(ii) Trade Payables	17		
- Total Outstanding dues of micro enterprises and small enterprises		1.85	0.45
- Total Outstanding dues of creditors other than micro enterprises and small enterprises		107.70	25.13
(iii) Other Financial Liabilities	18	173.89	679.31
(b) Provisions	19	9.42	14.18
(c) Current Tax Liabilities (Net)	20	24.41	23.99
(d) Other Current Liabilities	21	1,586.51	20.54
Total Current Liabilities		**1,907.08**	**770.81**
Total Liabilities		**16,307.08**	**10,774.11**
TOTAL EQUITY AND LIABILITIES		**14,071.59**	**10,743.60**

See accompanying notes forming part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)

P Usha Parvathy
Partner

Place : Chennai
Date : 14 May 2025

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

CHEMFAB ALKALIS KARAIKAL LTD. CAKL

For and on behalf of the Board of Directors

Suresh Krishnamurthi Rao
Chairman
DIN: 00127809
Place : Chennai

V M Srinivasan
Chief Executive Officer
Place : Chennai

S Prasath
Chief Financial Officer
Place : Chennai
Date : 14 May 2025

CHEMFAB ALKALIS KARAIKAL LIMITED
Statement of Profit and Loss for the year ended 31 March 2025
CIN:U24100TN2019PLC133285

	Particulars	Note No	For the Year Ended 31 March 2025 Rs. In Lakhs	For the Year Ended 31 March 2024 Rs. In Lakhs
I	Revenue from Operations	22	1,174.17	0.90
II	Other Income	23	245.19	76.91
III	**Total Income (I+II)**		**1,419.36**	**77.81**
IV	**Expenses**			
	Cost of Materials Consumed	24	1,722.78	60.19
	Changes in Inventories of Finished Goods and Work-in-Progress	25	(307.36)	(28.12)
	Other Direct Manufacturing Expenses	26	163.69	17.71
	Employee Benefits Expense	27	260.81	140.55
	Finance Costs	28	43.78	1.14
	Depreciation and Amortisation Expense	2 & 3	395.23	50.07
	Other Expenses	29	353.95	184.30
	Total Expenses (IV)		**2,632.88**	**425.84**
V	**(Loss) before exceptional items and tax (III - IV)**		**(1,213.52)**	**(348.03)**
VI	Exceptional Items	30	988.77	-
VII	**(Loss) before tax (V- VI)**		**(2,202.29)**	**(348.03)**
VIII	**Tax expense**	36		
	- Current Tax		2.69	18.38
	- Deferred Tax		-	-
			2.69	**18.38**
IX	**(Loss) for the Year (VII - VIII)**		**(2,204.98)**	**(366.41)**
X	**Other Comprehensive Income**		-	-
XI	**Total Comprehensive (Loss) / Income for the Year (IX + X)**		**(2,204.98)**	**(366.41)**
XII	**Earnings per Equity Share (Face Value of Rs 10 each)**	37		
	-Basic (in Rs.)		(41.47)	(6.90)
	-Diluted (in Rs.)		(41.47)	(6.90)

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

P Usha Parvathy
Partner

Place : Chennai
Date : 14 May 2025

CHEMFAB ALKALIS KARAIKAL LTD. CAKL

For and on behalf of the Board of Directors

Suresh Krishnamurthi Rao
Chairman
DIN: 00127809
Place : Chennai

V M Srinivasan
Chief Executive Officer
Place : Chennai

S Prasath
Chief Financial Officer
Place : Chennai

Date : 14 May 2025

CHEMFAB ALKALIS KARAIKAL LIMITED
Cash Flow Statement for the year ended 31 March 2025
CIN:U24100TN2019PLC133285

Particulars	For the Year Ended 31 March 2025 Rs. In Lakhs	For the Year Ended 31 March 2024 Rs. In Lakhs
A. Cash flow from Operating Activities		
(Loss) for the year	**(2,204.98)**	**(366.41)**
Adjustment for:		
Income Tax Expense	2.69	18.38
Depreciation of property, plant and equipment	395.23	50.07
Finance Cost	43.78	1.14
Other Financial Assets (at Fair Value through Profit & Loss)	(12.90)	(73.80)
Gain on disposal of property, plant and equipment	(17.32)	-
Bad Receivables written off	1.48	-
Capital work in progress written off	988.77	-
Interest Income on fixed deposits with banks	(2.22)	(1.42)
Operating (Loss) before Working Capital / Other changes	**(805.47)**	**(372.04)**
(Increase) / Decrease in Trade Receivables	(71.31)	-
(Increase)/Decrease in Other Non Current Financial Assets	(0.19)	(0.09)
(Increase)/Decrease in Non Current Assets and Other Current Assets	(935.91)	(1,673.56)
(Increase) / Decrease in Inventories	(350.57)	(58.39)
Increase/(Decrease) in Trade Payables	83.97	19.08
Increase/(Decrease) in Other Current Liabilities & Provisions	1,561.21	5.27
Changes in Working Capital and Other changes	**287.20**	**(1,707.69)**
Cash used in Operations	**(518.27)**	**(2,079.73)**
Income Taxes (Paid) / Refund and Interest Income Received	(2.27)	(0.14)
Net cash from Operating Activities (A)	**(520.54)**	**(2,079.87)**
B. Cash flow from Investing Activities		
Purchase of Property, Plant and Equipment	(4,007.27)	(4,152.99)
Proceeds from Sale of Property, Plant and Equipment and Capital work in progress	174.46	-
Net movement in Bank balances not considered as Cash and cash equivalents	57.99	(60.25)
Investment/(Redemption proceeds) in Mutual Funds (Net)	(48.63)	15.00
Interest Income	3.49	0.14
Net Cash (used in) Investing Activities (B)	**(3,819.96)**	**(4,198.10)**
C. Cash flow from Financing Activities		
Issue of Preference Shares including share application money pending allotment	4,400.00	6,300.00
Payment of lease liabilities	(7.21)	(6.66)
Finance Cost on Lease Liabilities	(0.59)	(1.14)
Finance Costs paid on Borrowings	(43.19)	-
Net Cash from/(used in) Financing Activities (C)	**4,349.01**	**6,292.20**
D. Net (Decrease) / Increase in Cash and Cash Equivalents (A) + (B) + (C)	**8.51**	**14.23**
E. Cash and Cash Equivalents (Opening)	19.49	5.26
F. Cash and Cash Equivalents (Closing)	**28.00**	**19.49**

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CHEMFAB ALKALIS KARAIKAL LTD. CAKL

CHEMFAB ALKALIS KARAIKAL LIMITED
Cash Flow Statement for the year ended 31 March 2025
CIN:U24100TN2019PLC133285

Particulars	For the Year Ended 31 March 2025 Rs. In Lakhs	For the Year Ended 31 March 2024 Rs. In Lakhs

Notes:

Changes in liabilities arising from financing activities

			Amount Rs. In Lakhs	
Particulars	**As at 01 April 2024**	**Cash Flows**	**Others**	**As at 31 March 2025**
Other Financial Liabilities Non Current (Note 16)	10,000.00	4,400.00		14,400.00
Lease Liabilities	10.51	(7.21)	-	3.30

			Amount Rs. In Lakhs	
Particulars	**As at 01 April 2023**	**Cash Flows**	**Others**	**As at 31 March 2024**
Other Financial Liabilities Non Current (Note 16)	3,700.00	6,300.00	-	10,000.00
Lease Liabilities	17.18	(6.66)	(0.01)	10.51

See accompanying notes forming part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

P Usha Parvathy
Partner

Place : Chennai
Date : 14 May 2025

For and on behalf of the Board of Directors

Suresh Krishnamurthi Rao
Chairman
DIN: 00127809
Place : Chennai

V M Srinivasan
Chief Executive Officer
Place : Chennai

CHEMFAB ALKALIS KARAIKAL LTD. CAKL

S Prasath
Chief Financial Officer
Place : Chennai

Date : 14 May 2025

CHEMFAB ALKALIS KARAIKAL LIMITED
Statement of Changes in Equity for the year ended 31 March 2025
CIN:U24100TN2019PLC133285

A. Equity Share Capital (Also Refer Note 14)

Amount Rs. In lakhs

Particulars	As at 31 March 2025	As at 31 March 2024
Balance as at beginning of the Year	532.00	532.00
Changes in equity share capital during the year	-	-
Closing Balance	532.00	532.00

B. Other Equity

Amount Rs. In Lakhs

Particulars	Retained Earnings	Other Comprehensive Income	Total Other Equity
Balance as at beginning of the Year	(196.10)	-	(196.10)
Loss for the Year	(366.41)	-	(366.41)
Balance as at 31 March 2024	(562.51)	-	(562.51)
Loss for the Year	(2,204.98)	-	(2,204.98)
Balance as at 31 March 2025	(2,767.49)	-	(2,767.49)

See accompanying notes forming part of the financial statements
In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

P Usha Parvathy
Partner

Place : Chennai
Date : 14 May 2025

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

CHEMFAB ALKALIS KARAIKAL LTD. CAKL

For and on behalf of Board of Directors

Suresh Krishnamurthi Rao
Chairman
DIN: 00127809
Place : Chennai

S Prasath
Chief Financial Officer
Place : Chennai

Date : 14 May 2025

V M Srinivasan
Chief Executive Officer

Place : Chennai

1 General Information

Chemfab Alkalis Karaikal Limited (hereinafter referred to as "the Company") was incorporated as a public company under the Companies Act, 2013 on 19 December 2019 for the purpose of manufacturing of basic inorganic chemicals. The Company is a wholly owned subsidiary of Chemfab Alkalis Limited, whose shares are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

Material Accounting Policies

1.1 Impact of the initial application of new and amended Ind ASs that are effective for the current year:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

1.2 Basis Of Accounting and preparation of financial statements

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

These Financial Statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability

Going concern

The Company has incurred a loss of Rs. 2,204.98 Lakhs during the financial year ended 31 March 2025. Further the net worth of the Company has eroded and is a negative networth of Rs. 2,235.49 Lakhs as at 31 March 2025.

The Board have, at the time of approving the financial statements, a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements considering first full year of operation of the plant wherein full capacity is not operational, fluctuations in the sale realisation and raw material cost - aluminium prices during the year resulted in a negative gross margin, there are no bank borrowings, the Company able to meet its obligations to its operating creditors and administrative expenses including statutory payments on time and sale realization on assets held for sale would be adequate to meet the Company's obligations for next 12 months from the end of this financial year. However the Company is negotiating for better realisation with certain customers with increased volumes and confident of improved performance during FY2026.

1.3 Use of Estimates

The preparation of the financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

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1.4 Operating Cycle

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has proposed its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

1.5 Revenue recognition

(I) Sale of Goods/Services

Domestic sale of products is recognised when risks and rewards of ownership are transferred as per the terms of sale / understanding with the customers, and comprise amounts invoiced for goods but net of rebates/discounts and GST.

Export sale of products is recognised when goods are delivered to the carrier, which is when risks and rewards of ownership are transferred as per the terms of sale / understanding with the customers.

Income from service activities is accounted for on rendering the service in accordance with the contractual terms and when there is no uncertainty in receiving the same.

(II) Other Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Dividend Income is accounted when the right to receive is established.

1.6 Inventories

Inventories are valued at the lower of cost and net realizable value. Cost includes cost of purchase, cost of conversion, and other costs incurred in bringing the inventories to their present location and condition and is net of taxes where applicable. The methods of determination of cost of various categories of inventory are as follows:

- Raw Materials, Fuel and Stores and Spares – On weighted average basis.
- Finished goods and Work in Progress at lower of Cost, which includes appropriate production overheads and Net Realizable Value, the Cost being determined on weighted average basis.

Due allowance is estimated and made by the Management for slow moving / non-moving items of inventory, where ever necessary, based on the technical assessment and such allowances are adjusted against the closing inventory value. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and cost necessary to make the sale.

1.7 Cash and Cash Equivalent (For the purpose of Cash Flow Statement)

Cash comprises of cash on hand and demand deposits with banks. Cash Equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash which are subject to an insignificant risk of changes in value.
Bank balances other than the balance included in cash and cash equivalents represents balance on account of unpaid dividend and margin money deposit with banks.

1.8 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) after tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.9 Property, Plant and Equipment (PPE) and Depreciation on Property Plant and Equipment

Property, Plant and Equipment (PPE's) are recorded at cost less accumulated depreciation and accumulated impairment loss (if any). The Company capitalizes all costs relating to acquisition and installation of Property, Plant and Equipment. The cost of Property, Plant and Equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying Property, Plant and Equipment up to the date the Property, Plant and Equipment is ready for its intended use.

Advances paid towards the acquisition of Property, Plant and Equipment outstanding at each balance sheet date are disclosed as "Capital Advances" under Other Non Current Assets and cost of Property, Plant and Equipment not ready to use before such date are disclosed under "Capital Work- in-Progress".

Depreciation:
Depreciable amount for assets is the cost of an asset less its estimated residual value.

Depreciation on Property, Plant and Equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Depreciation is also accelerated on fixed assets, based on their condition, usability etc. as per the technical estimates of the Management, where necessary.

Intangible Assets:
Intangible fixed assets acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses(If any). Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life of intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern.

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1.10 Borrowing Cost

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

1.11 Foreign Currency Transactions

Initial Recognition:

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition:

As at the reporting date, non monetary assets and liabilities which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate prevalent at the date of the transaction. Foreign currency monetary assets and liabilities are reported using the exchange rate prevalent at the date of the balance sheet.

Treatment of Exchange Differences:

Foreign exchange gains and losses resulting from the settlement/restatement of monetary assets and liabilities of the Company are recognised as income or expense in the statement of profit and loss.

Employee defined benefit plans include gratuity.

1.12 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.
Current Tax:
Current tax expense for the year is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income-tax Act, 1961.

Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

1.13 Segment Reporting

Operating segments reflect the Company's management structure and the way the financial information is regularly reviewed by the Company's Chief operating decision maker (CODM). The CEO of the company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM considers the business from both business and product perspective based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / (loss) amounts are evaluated regularly by the CODM in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue, where applicable, is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

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1.14 Leases

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

1.15 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

1.16 Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are determined based on the best estimate required to settle the obligation at the balance sheet date and measured using the present value of cash flows estimated to settle the present obligations (when the effect of time value of money is material). These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. The Company does not recognize a contingent liability but discloses its existence in the Financial Statements. Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity.

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1.17 Insurance Claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

1.18 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in profit and loss.

1.19 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets:

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

• the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
• the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

• the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
• the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Company may make the following irrevocable election / designation at initial recognition of a financial asset:

• the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and
• the Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iv) below).All other financial assets are subsequently measured at fair value.

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(i) Amortised cost and effective interest method:

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss and is included in the 'Other income' line item.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

(ii) Debt instruments classified as at FVTOCI:

The debt instruments are initially measured at fair value plus transaction costs.

Subsequently, changes in the carrying amount of these debt instruments as a result of foreign exchange gains and losses (see below), impairment gains or losses (see below), and interest income calculated using the effective interest method (see (i) above) are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these debt instruments had been measured at amortised cost. All other changes in the carrying amount of these debt instruments are recognised in other comprehensive income and accumulated in a separate component of equity. When these debt instruments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) Equity instruments designated as at FVTOCI:

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading:

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in a separate component of equity. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with Ind AS 109, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'Other income' line item (note 42) in profit or loss.

The Company designates all investments in equity instruments that are not held for trading as at FVTOCI on initial recognition.

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking;

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(iv) Financial assets at fair value through profit or loss (FVTPL):

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI (see (i) to (iii) above) are measured at FVTPL. Specifically:

• Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading (see (iii) above).
• Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria (see (i) and (ii) above) are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other income' line item.

Foreign exchange gains and losses:

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

• for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other income' line item ;
• for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the 'other income' line item. As the foreign currency element recognised in profit or loss is the same as if it was measured at amortised cost, the residual foreign currency element based on the translation of the carrying amount (at fair value) is recognised in other comprehensive income in a separate component of equity;
• for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other income' line item as part of the fair value gain or loss; and
• for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in a separate component of equity.

Impairment of financial assets:

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, financial guarantee contracts, and certain other financial assets measured at amortised cost such as deferred consideration receivable on disposal of subsidiaries. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

For trade receivables, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses. Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient method as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

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De-recognition of financial assets:

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in a separate component of equity is reclassified to profit or loss. In contrast, on derecognition of an investment in an equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in a separate component of equity is not reclassified to profit or loss, but is transferred to retained earnings.

1.20 Financial liabilities and equity instruments

Classification as debt or equity:
Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Company, are measured in accordance with the specific accounting policies set out below.

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is (i) held for trading or (ii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:
• it has been acquired principally for the purpose of repurchasing it in the near term; or
• on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking;

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

• such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
• the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis;

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other income' line item in profit or loss.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are recognised in retained earnings. Gains or losses on financial guarantee contracts issued by the Company that are designated by the Company as at FVTPL are recognised in profit or loss.

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Financial liabilities subsequently measured at amortised cost:

Financial liabilities that are not held-for-trading or designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.
The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses:

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'other income' line item in profit or loss for financial liabilities.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Company exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within 'other income'.

1.21 Impairment of Tangible and Intangible Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets or cash generating units to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, or whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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1.22 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of Financial Statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures. Uncertainty about the assumptions and estimates could result in outcomes that require a material adjustment to the carrying value of assets or liabilities affected in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in Financial Statements is included in the following notes:

(i) Useful lives of Property, Plant and Equipment.
(ii) Carrying values of Property, Plant and Equipment
(iii) Employee Benefits
(iv) Asset held for sale

Determination of functional currency
Currency of the primary economic environment in which the Company operates ("the functional currency") is Indian Rupee (INR) in which the company primarily generates and expends cash. Accordingly, the Management has assessed its functional currency to be Indian Rupee (INR).

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2. Property Plant and Equipment and Other Intangible Assets

I - Current year ended 31 March 2025

(Amount Rs. In Lakhs)

Particulars	Gross Block					Accumulated Depreciation / Amortisation				Net Block
	As at 01 April 2024	Transfers from CWIP	Additions during the year	Deletions/ Adjustment during the year	As at 31 March 2025	As at 01 April 2024	For the year	Deletions during the year	As at 31 March 2025	As at 31 March 2025
Property Plant and Equipment										
Land - Freehold	36.47	-	-	-	36.47	-	-	-	-	36.47
Buildings	3,330.25	424.34	-	-	3,754.59	15.67	156.03	-	171.70	3,582.89
Plant and Equipment	2,389.33	310.98	-	42.01	2,658.30	18.36	211.51	1.29	228.58	2,429.72
Furniture and Fixtures	30.72	2.79	-	-	33.51	1.01	3.09	-	4.10	29.41
Vehicles	-	-	-	-	-	-	-	-	-	-
Office Equipments	34.63	9.33	-	-	43.96	3.07	9.99	-	13.06	30.90
TOTAL	5,821.40	747.44	-	42.01	6,526.83	38.11	380.62	1.29	417.44	6,109.39

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2. Property Plant and Equipment and Other Intangible Assets

II - Previous year ended 31 March 2024

(Amount Rs. In Lakhs)

Particulars	Gross Block					Accumulated Depreciation / Amortisation				Net Block
	As at 01 April 2023	Transfers from CWIP	Additions during the year	Deletions/ Adjustment during the year	As at 31 March 2024	As at 01 April 2023	For the year	Deletions during the year	As at 31 March 2024	As at 31 March 2024
Property Plant and Equipment										
Land - Freehold	36.47	-	-	-	36.47	-	-	-	-	36.47
Buildings	-	3,330.25	-	-	3,330.25	-	15.67	-	15.67	3,314.58
Plant and Equipment	-	2,389.33	-	-	2,389.33	-	18.36	-	18.36	2,370.97
Furniture and Fixtures	5.14	25.58	-	-	30.72	0.25	0.76	-	1.01	29.71
Vehicles	-	-	-	-	-	-	-	-	-	-
Office Equipments	8.53	26.10	-	-	34.63	0.80	2.27	-	3.07	31.56
TOTAL	50.14	5,771.26	-	-	5,821.40	1.05	37.06	-	38.11	5,783.29

Note:
Company has recognised an amount of Rs. 170.24 Lakhs as an addition to the carrying value of PPE which are directly related to the construction, testing and startup of the Plant.

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3 Leases

Right of Use Assets :

Particulars	Land & Buildings Amount Rs. In lakhs	Equipment Amount Rs. In lakhs
Cost		
As at 01 April 2023	20.72	-
Additions	763.24	-
As at 31 March 2024	**783.96**	-
Add: Additions	-	-
As at 31 March 2025	**783.96**	-
Accumulated Amortisation		
As at 01 April 2023	3.90	-
Charge for the Year	13.01	-
As at 31 March 2024	**16.91**	-
Charge for the Year	14.61	-
As at 31 March 2025	**31.52**	-
Carrying Amount		
As at 31 March 2024	767.05	-
As at 31 March 2025	**752.44**	-

The Company has considered the OCC interest rate of holding company at the time of adoption of lease for the purpose of determination of discount rate for leases. The Company has leases for Land & Buildings. The leases have remaining lease terms of 3 years upto 99 years with option to terminate or extend the lease.

Particulars	For the Year Ended 31 March 2025 Amount Rs. In lakhs	For the Year Ended 31 March 2024 Amount Rs. In lakhs
Amounts recognised in Statement of Profit and Loss were as follows:		
Amortisation Expense on right-of-use assets	14.62	13.01
Interest Expense on lease Liabilities	0.59	1.14
Expense relating to short-term lease	8.15	1.06
Expense relating to variable lease payments not included in the measurement of the lease liability	-	-
Supplemental cash flow information related to leases was as follows:		
Total cash outflow for leases	(7.21)	(6.66)
Additions to right of use assets	-	763.24
Maturities of Lease Liabilities were as follows		
Undiscounted Lease Payments to be made	3.40	11.20
Not later than 1 year	3.40	7.80
Later than 1 year and not later than 5 years	-	3.40
Later than 5 years	-	-

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Particulars	As at 31 March 2025 Amount Rs. In lakhs	As at 31 March 2024 Amount Rs. In lakhs
4 Capital Work-In-Progress (Also refer note 13)		
Opening	1,672.15	1,777.68
Additions	4,408.45	5,665.73
Transfer to property, plant and equipment	(747.44)	(5,771.26)
Transfer to Assets held for Sale	(3,942.99)	
Sales	(116.41)	-
Written off (Also refer note 30)	(988.77)	-
Closing	284.99	1,672.15

a) **CWIP Ageing Schedule**

As at 31 March 2025 (Amount Rs. In Lakhs)

CWIP Ageing schedule	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	115.07	169.92	-	-	284.99
Projects temporarily suspended	-	-	-	-	-
Total	115.07	169.92	-	-	284.99

As at 31 March 2024 (Amount Rs. In Lakhs)

CWIP Ageing schedule	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	1,386.77	285.38	-	-	1,672.15
Projects temporarily suspended	-	-	-	-	-

b) **CWIP whose completion is overdue or exceed its cost**

As at 31 March 2025 (Amount Rs. In Lakhs)
Amount of CWIP to be completed in

CWIP Completion Schedule	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
The above capital work in progress does not have any project whose completion is overdue or has exceeded its cost compared to original plan. There are no projects whose activity is suspended					

As at 31 March 2024 (Amount Rs. In Lakhs)
Amount of CWIP to be completed in

CWIP Completion Schedule	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
The above capital work in progress does not have any project whose completion is overdue or has exceeded its cost compared to original plan. There are no projects whose activity is suspended					

5 Other Financial Assets - Non Current		
Deposits with others	12.23	11.99
Total	12.23	11.99
6 Other Non-Current Assets		
Capital Advances	216.08	1,115.48
Balance with Government Authorities - GST Input Credit	-	-
Prepaid Rent	0.10	0.32
Total	216.18	1,115.80
7 Inventories (at lower of cost and net realisable value)		
(a) Raw Materials (including Goods in Transit amounting to Rs. Nil (PY - Rs. Nil))	27.64	25.32
(b) Work in Progress	12.48	0.47
(c) Finished Goods (other than those acquired for trading)	323.00	27.65
(d) Stores and Spares	45.84	4.95
Total	408.96	58.39
8 Other Investments - Current		
Investments carried at Fair Value through Profit & Loss		
Investments in Mutual Funds (quoted)		
SBI Liquid Fund Direct Growth - 3630.441 units of Rs. 4,055.9471 each (PY - 2268.229 units of Rs. 3,779.2823 each)	147.25	85.72
Total	147.25	85.72
Aggregate Book value of Investment	147.25	85.72
Aggregate Market value of Investment	147.25	85.72

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Particulars	As at 31 March 2025 Amount Rs. In lakhs	As at 31 March 2024 Amount Rs. In lakhs
9 Trade Receivables		
(a) Considered good, Secured	-	-
(b) Considered good, Unsecured	69.83	-
(c) Receivables which have significant increase in credit risk	-	-
	69.83	-
Less: Provision for Expected Credit Loss	-	-
	69.83	-

Notes:

9.01 Trade Receivables includes receivables outstanding from customers constituing individually 5% or more of the total trade receivables as at 31 March 2025 of Rs. 99.85 lakhs (PY : Rs. Nil)

9.02 Trade Receivables ageing schedule - Outstanding for following periods from due date of payment

As at 31 March 2025 (Amount Rs. In Lakhs)

	Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Not Due	Total
(i)	Undisputed Trade Receivables - considered good	29.16	-	-	-	-	40.67	69.83
(ii)	Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
(iv)	Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
		29.16	-	-	-	-	40.67	69.83
	Less: Provision for Expected Credit Loss							-
	Trade Receivables (Net)							69.83

10A	**Cash and Cash Equivalents**		
	Cash on hand	-	-
	Balance with Banks - Current Accounts	28.00	19.49
	Total	28.00	19.49
10B	**Bank balances other than Cash and Cash Equivalents**		
	In Earmarked accounts		
	- Margin Money Accounts for bank guarantees and letters of credit	2.26	60.25
	Total	2.26	60.25
11	**Other Financial Assets - Current**		
	(Unsecured, considered good)		
	Advance to employees	0.19	0.24
	Interest accrued on Deposits	0.01	1.28
	Total	0.20	1.52
12	**Other Current Assets**		
	(Unsecured, considered good)		
	Advances to Vendors	0.94	1.26
	Balance with Government Authorities - GST Input Credit	2,081.81	1,152.66
	Prepaid expenses	14.12	14.03
	Total	2,096.87	1,167.95
13	**Asset Held for Sale**		
	Property Plant and Equipment	3,942.99	-
	Total	3,942.99	-

Note: During the year, the Company has, considering the business prospects and also the current business dynamics of product realisation and demand, competition, commercial viability, has decided to sell parts of assets held in capital work in progress towards Caustic Soda Plant planned and consequently Rs. 3,942.99 Lakhs is classified as Asset held for sale during the year.

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Particulars	As at 31 March 2025 Amount Rs. In lakhs	As at 31 March 2024 Amount Rs. In lakhs
14 Share Capital		
(a) Authorized		
53,20,000 Nos of Equity shares of Rs. 10 each (with voting rights)	532.00	532.00
15,00,00,000 Nos (PY.10,00,00,000) of 0.01% Convertible Preference Shares of Rs. 10/- each fully paid up) (Also Refer note 16)	15,000.00	10,000.00
Total	15,532.00	10,532.00
(b) Equity Shares Issued, Subscribed and Paid up Capital [refer (a) to (e) below]		
53,20,000 equity shares of Rs. 10 each fully paid up (Also refer note 37)	532.00	532.00
Total	532.00	532.00

(a) Reconciliation of the number of equity shares issued and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Equity Share Capital			
	As at 31 March 2025		As at 31 March 2024	
	Number of shares	Amount Rs. In lakhs	Number of shares	Amount Rs. In lakhs
Issued, Subscribed and Paid up equity shares				
Shares and Share Capital outstanding at the beginning of the period	53,20,000	532.00	53,20,000	532.00
Add: Shares and Share Capital issued during the period	-	-	-	-
Shares and Share Capital outstanding at the end of the period	53,20,000	532.00	53,20,000	532.00

Additionally, the Company has issued and fully paid 14,40,00,000 convertible preference shares of Rs. 10 each classified as liabilities. These shares do not carry voting rights. Refer Note 16.

(b) The details of shares held by the Holding Company:

Particulars	As at 31 March 2025		As at 31 March 2024	
	Number of shares	% of Holding	Number of shares	% of Holding
Chemfab Alkalis Limited (Holding Company) and its Nominees	53,20,000	100.00%	53,20,000	100.00%

(c) The details of equity shareholders holding more than 5 % of the aggregate equity Shares:

Particulars	As at 31 March 2025		As at 31 March 2024	
	Number of shares	% of Holding	Number of shares	% of Holding
Chemfab Alkalis Limited (Holding Company) and its Nominees	53,20,000	100.00%	53,20,000	100.00%

(d) Shares held by Promoter at the end of the year

Promoter Name	No. of shares		% of total shares		% Change during the Year
	Current year	Previous year	Current year	Previous year	
Chemfab Alkalis Limited (Holding Company) and its Nominees	53,20,000	53,20,000	100.00%	100.00%	0.00%

(e) Rights, preferences and restrictions attached to the equity shareholders

The Company has one class of equity shares having par value of Rs. 10 per share. Each shareholder is eligible for one vote per equity share held. The Company declares and pays dividend in Indian Rupees. The dividend proposed by Board of directors is subject to the approval of shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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Particulars	As at 31 March 2025 Amount Rs. In lakhs	As at 31 March 2024 Amount Rs. In lakhs
15 Other Equity		
Retained Earnings (Refer note below)		
Opening Balance	(562.51)	(196.10)
Loss for the Year	(2,204.98)	(366.41)
Other Comprehensive Income	-	-
Closing Balance	(2,767.49)	(562.51)

Note
Retained earnings refer to net earnings not paid out as dividends, but retained by the company to be reinvested in its core business. This amount is available for distribution of dividends to its equity shareholders.

16 Other Financial Liabilities - Non Current		
0.01% Convertible Preference Shares (Refer Notes below and Note 35) (14,40,00,000 (PY - 10,00,00,000) shares of Rs. 10 each fully paid up)	14,400.00	10,000.00
Total	14,400.00	10,000.00

16.1 The Company has issued 14,00,00,000 (PY - 10,00,00,000) Convertible Preference Shares of Rs. 10 each fully paid up to the Holding Company with a cumulative interest rate of 0.01% p.a. The holder of the instrument to convert preference shares compulsorily into equity shares at applicable fair value, which can be exercised by the preference share holder anytime after 1 year but within 20 years from date of issue.

16.2 The total dividend payable but not provided for on 0.01% Convertible Preference Shares for the year ended 31 March 2025 being Rs. 1.35 lakhs (PY Rs. 0.52 lakhs) and cumulative unpaid dividend as at 31 March 2025 being Rs. 2.11 lakhs (PY Rs. 0.76 lakhs) due to losses.

16.3 Preference shares includes conversion of Rs. 3,800 Lakhs of principal and interest (Principal Rs. 3,761.43 Lakhs and interest at 8.80% net of TDS Rs. 38.57 Lakhs) which was given to subsidiary during the year which was approved in the board meeting of the subsidiary on 07 June 2024.

17 Trade Payables - Current		
Total Outstanding dues of micro enterprises and small enterprises	1.85	0.45
Total Outstanding dues of creditors other than micro enterprises and small enterprises	107.70	25.13
Total	109.55	25.58

Trade payables are non-interest bearing and are normally settled on upto 90 days terms as per terms of the contract. There are no dues to enterprises registered under Micro Small Medium Enterprises Development Act, 2006.

As at 31 March 2025 Amount Rs. In Lakhs

The age of the Trade Payables is as under:	Outstanding for the following periods from the due date of payment				
Particulars	Less than 1 year	1-2 years	2-3 years	Not Due	Total
(i) MSME	0.87	-	-	0.98	1.85
(ii) Others	91.62	2.22	0.29	13.57	107.70
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	92.49	2.22	0.29	14.55	109.55

The above is including unbilled dues of Rs. 54.02 lakhs

As at 31 March 2024 Amount Rs. In Lakhs

The age of the Trade Payables is as under:	Outstanding for the following periods from the due date of payment				
Particulars	Less than 1 year	1-2 years	2-3 years	Not Due	Total
(i) MSME	0.04	-	-	0.41	0.45
(ii) Others	16.54	-	-	8.59	25.13
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	16.58	-	-	9.00	25.58

The above is including unbilled dues of Rs. 15.06 Lakhs

18 Other Financial Liabilities - Current		
Creditors for Capital Goods	173.89	679.31
Total	173.89	679.31
19 Provisions - Current		
Provision for compensated absences	9.42	14.18
Total	9.42	14.18
20 Current tax liabilities (Net)		
Provision for Tax (Net of Income Tax paid / TDS of Rs. 2.41 Lakhs (As at 31 March 2024 of Rs. 0.14 Lakhs))	24.41	23.99
Total	24.41	23.99
21 Other Current Liabilities		
Statutory liabilities	42.37	18.87
Advance from Customers (Also refer note 35)	1,544.14	1.67
Total	1,586.51	20.54

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CHEMFAB ALKALIS KARAIKAL LTD. CAKL

22 Revenue from operations

Particulars	For the Year ended 31 March 2025 Amount Rs. In Lakhs	For the Year ended 31 March 2024 Amount Rs. In Lakhs
a Sales of Products (Refer note below)	1,174.17	0.90
b Other operating revenues	-	-
Total	**1,174.17**	**0.90**

Note:

Revenue for sale of products is net of rebates/incentives/discounts for the year ended 31 March 2025 amounting to Rs. Nil (previous year Rs. Nil).

22.1 Disaggregation of the revenue Information

The table below presents disaggregated revenues from contracts with customers by geography, offerings and contract-type for each of our business segments.

As per the management, the below disaggregation best depicts the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

Particulars	For the Year ended 31 March 2025 Amount Rs. In Lakhs	For the Year ended 31 March 2024 Amount Rs. In Lakhs
Revenue by Geography		
India	1,174.17	0.90
Outside India	-	-
Total revenue from contracts with customers	**1,174.17**	**0.90**
Revenue by offerings		
Manufactured goods		
Chemicals & Related Products / Services		
- Aluminium Chloride	1,174.17	0.90
Total revenue from contracts with customers	**1,174.17**	**0.90**
Timing of recognition		
Goods & Services transferred at a point in time	1,174.17	0.90
Total revenue from contracts with customers	**1,174.17**	**0.90**

22.2 Trade Receivables and Contract Balances

The Company classifies the right to consideration in exchange for deliverables as receivable. A receivable is a right to consideration that is unconditional upon passage of time. Revenue is recognized as and when the related goods are delivered to the customer. Trade receivable are presented net of impairment in the Balance Sheet.

Contract liabilities include payments received in advance of performance under the contract, and are realized with the associated revenue recognized under the contract.

22.3 Transaction price allocated to the remaining performance obligations

Particulars	For the Year ended 31 March 2025 Amount Rs. In Lakhs	For the Year ended 31 March 2024 Amount Rs. In Lakhs
Contract Balances		
Gross Trade Receivables		-
Advance received from customers	1,544.14	1.67

The Company has applied practical expedient and has not disclosed information about remaining performance obligations in contracts where the original contract duration is one year or less or where the entity has the right to consideration that corresponds directly with the value of entity's performance completed to date.

22.4 Information about major customers

The Company is a manufacturer of Aluminium Chloride.

Revenues arising from direct sales above includes revenues of approximately Rs. 788.99 lakhs and Rs. 237.59 Lakhs which arose from sales to the company's single and second large customer respectively (Previous Year Rs. 0.90). No other single customers contributed 10% or more to the Company's revenue during the current year.

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CHEMFAB ALKALIS KARAIKAL LIMITED
Notes forming part of the financial statements for the year ended 31 March 2025

Particulars	For the Year Ended 31 March 2025 Rs. In Lakhs	For the Year Ended 31 March 2024 Rs. In Lakhs
23 Other Income		
(a) Interest Income:		
- Interest on fixed deposits with banks	2.22	1.42
- Other Interest income	0.24	0.22
(b) Other Non Operating Income:		
- Other Financial Assets (at Fair Value through Profit & Loss) (Refer note (i) below)	12.90	73.80
- Profit on Sale of Property, Plant & Equipment (Net)	17.32	-
- Exchange variation (Net)	142.33	0.82
- Miscellaneous Income	70.18	0.65
Total	**245.19**	**76.91**

(i) Note :
The amount represents a net gain on investments in Mutual Funds (Refer Note 8) comprising of an increase in fair value of Rs. 2.21 Lakhs (PY Rs. 0.77 Lakhs) and gain on redemption of investments of Rs. 10.69 Lakhs received during the year (PY Rs. 73.03 Lakhs)

24 Cost of Materials Consumed		
Opening Stock	25.32	-
Add: Purchases	1,725.10	85.51
	1,750.42	85.51
Less: Closing Stock	(27.64)	(25.32)
Cost of Materials consumed	**1,722.78**	**60.19**
Materials Consumed Comprises of:		
Aluminium Ingots	1718.49	59.13
Chlorine	2.99	1.06
Others (Refer Note (i) below)	1.30	-
Total	**1,722.78**	**60.19**

Note:
(i) Others include raw materials none of which individually accounts for more than 10 % of the total consumption.

25 Changes in Inventories of Finished Goods and Work in Progress		
Opening Stock		
Finished goods	27.65	-
Work-in-Progress	0.47	-
	28.12	-
Closing Stock		
Finished goods	323.00	27.65
Work-in-Progress	12.48	0.47
	335.48	28.12
Net (Increase)/decrease	**(307.36)**	**(28.12)**

26 Other Direct Manufacturing Expenses		
Power and Fuel	69.26	10.00
Labour Charges	94.43	7.71
Total	**163.69**	**17.71**

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CHEMFAB ALKALIS KARAIKAL LIMITED

Notes forming part of the financial statements for the year ended 31 March 2025

Particulars	For the Year Ended 31 March 2025 Rs. In Lakhs	For the Year Ended 31 March 2024 Rs. In Lakhs
27 Employee Benefits Expense		
Salaries and Wages	232.14	111.20
Contribution to Provident and other Funds	19.57	25.79
Staff Welfare Expenses	9.10	3.56
Total	**260.81**	**140.55**
28 Finance Cost		
Interest on Borrowings	43.19	-
Interest on Lease Liability (Refer Note 3)	0.59	1.14
Total	**43.78**	**1.14**
29 Other Expenses		
Stores and Spare parts consumed	85.02	21.96
Rent	8.15	1.06
Repairs and Maintenance - Plant and Equipment	45.41	0.41
- Buildings	2.94	0.02
Insurance	17.82	1.99
Rates and Taxes	53.29	38.62
Travelling Expenses	28.13	24.91
Auditor's Remuneration (net of GST input credit)		
- Statutory Audit	5.00	5.00
- Out of Pocket Expenses	0.08	0.08
Legal and Professional Fees	8.52	12.20
Freight (Net)	41.65	-
Bad receivables / Other Deposits written off	1.48	-
Bank Charges	4.14	37.82
Miscellaneous Expenses	52.32	40.23
	353.95	**184.30**

30 Exceptional Item

During the current year the company has written off certain investments amounting to Rs. 988.77 Lakhs identified towards Caustic soda Plant project basis judgement that the future economic benefits of the expenditure incurred is unlikely to accrue to the company and hence could not be capitalised.

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CHEMFAB ALKALIS KARAIKAL LTD. CAKL

31 Financial Instruments

(I) Capital Management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure. For the purpose of the Company's capital management, capital includes Equity Share Capital and Other Equity and Debt includes Borrowings and Preference Shares net of Cash and bank balances and short term investments. The Company monitors capital on the basis of the following gearing ratio.

Gearing Ratio :

Particulars	As at 31 March 2025 Rs. In Lakhs	As at 31 March 2024 Rs. In Lakhs
Borrowings and Other Financial Liabilities	14,573.89	10,679.31
Cash and Bank Balances	(28.00)	(19.49)
Short Term Investments	(147.25)	(85.72)
Net Debt (A)	**14,398.64**	**10,574.10**
Total Equity (B)	**(2,235.49)**	**(30.51)**
Net Debt to equity ratio (A/B)	**(6.44)**	**(346.62)**

(II) Categories of Financial Instruments

(a) Financial Assets

Particulars	As at 31 March 2025 Rs. In Lakhs	As at 31 March 2024 Rs. In Lakhs
Measured at fair value through P&L (FVTPL)		
- Investments	147.25	85.72
Measured at amortised cost		
- Trade Receivables	69.83	-
- Cash and Cash Equivalents	28.00	19.49
- Bank Balances other than above	2.26	60.25
- Other Financial Assets	12.43	13.51
Total	**259.77**	**178.97**

(b) Financial Liabilities :

Particulars	As at 31 March 2025 Rs. In Lakhs	As at 31 March 2024 Rs. In Lakhs
Measured at amortised cost		
- Trade Payables	109.55	25.58
- Lease Liabilities	3.30	10.51
- Other financial liabilities	14,573.89	10,679.31
Total	**14,686.74**	**10,715.40**

(III) Financial Risk Management Framework

The Company manages financial risk relating to the operations through internal risk reports which analyse exposure by degree and magnitude of risk. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company does not enter into or trade financial instruments including derivative financial instruments for speculative purpose.

(IV) Market Risk

The Company's current activities does not expose itself to significant changes in foreign currency exposure as at 31 March 2025.

(IV) Foreign Currency Risk Management :-

Since the Company has no foreign currency receivables or payable, the sensitivity analysis of foreign currency is not applicable.

(V) Liquidity Risk Management :

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The Company manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and by matching maturing profiles of financial assets and financial liabilities in accordance with the approved risk management policy of the Company.

Liquidity and Interest Risk Tables :

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(Amount Rs. In Lakhs)

Particulars	Less than 1 month	1-3 months	3 months to 1 year	1 to 5 years	5 years and above	Total
March 31, 2025						
Interest bearing	-	1.54	1.76	-	14,400.00	14,403.30
Non-interest bearing	109.55	173.89	-	-	-	283.44
Total	**109.55**	**175.43**	**1.76**	**-**	**14,400.00**	**14,686.74**
March 31, 2024						
Interest bearing	-	1.75	5.47	3.29	10,000.00	10,010.51
Non-interest bearing	25.58	679.31	-	-	-	704.89
Total	**25.58**	**681.06**	**5.47**	**3.29**	**10,000.00**	**10,715.40**

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

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The following tables detail the Company's remaining contractual maturity for its non-derivative financial assets with agreed repayment periods. The Company does not hold any derivative financial instrument.

(Amount Rs. In Lakhs)

Particulars	Less than 1 month	1-3 months	3 months to 1 year	1 to 5 years	5 years and above	Total
March 31, 2025						
Interest bearing	149.52					149.52
Non-interest bearing	98.02		0.00	12.23		110.25
Total	**247.54**	-	**0.00**	**12.23**	-	**259.77**
March 31, 2024						
Interest bearing	147.25	-	-	-	-	147.25
Non-interest bearing	19.73	-	-	11.99	-	31.72
Total	**166.98**	-	-	**11.99**	-	**178.97**

Non-interest rate bearing financial assets disclosed above includes Cash, Balances with banks held in current accounts, Trade Receivables and Other Financial Assets.
Interest bearnig instruments disclosed above represents Investments in Mutual Funds.

(VI) Credit Risk:

Credit risk refers to the risk that a customer or a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

Credit control policies are included in a blue print, including prescribed work procedures and guidelines; to manage credit risk, credit checks are performed upfront for new customers. For High risk clients, credit limits are put in place based on internal and / or external ratings. Credit risk is monitored by the credit control department of company on a daily basis.

The carrying amount of the financial assets recorded in these financial statements, grossed up for any allowance for losses, represents the maximum exposures to credit risk.

(VII) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The Management considers that the carrying amount of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

(VIII) Offsetting of financial assets and financial liabilities

The Company has not offset financial assets and financial liabilities.

32 Fair Value Hierarchy

This note provides information about how the Company determines fair value of various financial assets and liabilities

(I) Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis

(Amount Rs. In lakhs)

Particulars	Fair Value as at		Fair Value Hierarchy	Valuation techniques and key inputs
	31 March 2025	31 March 2024		
Financial Assets				
-Other Investments	147.25	85.72	Level 1	Based on fund statement
Total	**147.25**	85.72		

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(II) Fair value of financial assets and financial liabilities that are not measured at fair value (Non-recurring) :

(Amount Rs. In lakhs)

Particulars	As at 31 March 2025		As at 31 March 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets at amortised cost:				
- Trade Receivables	69.83	69.83	-	-
- Cash and Cash Equivalents	28.00	28.00	19.49	19.49
- Bank Balances other than above	2.26	2.26	60.25	60.25
- Other Financial Assets	12.43	12.43	13.51	13.51
Total	**112.52**	**112.52**	**93.25**	**93.25**
Financial liabilities held at amortised cost :				
- Trade Payables	109.55	109.55	25.58	25.58
- Lease Liabilities	3.30	3.30	10.51	10.51
- Other financial liabilities	14,573.89	14,573.89	10,679.31	10,679.31
Total	**14,686.74**	**14,686.74**	**10,715.40**	**10,715.40**

Fair value hierarchy as at 31 March 2025

(Amount Rs. In lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial assets				
- Investments (FVTPL)	147.25	-	-	147.25
- Trade Receivables	69.83	-	-	69.83
- Cash and Cash Equivalents (at amortised cost)	28.00	-	-	28.00
- Bank Balances other than above	2.26	-	-	2.26
- Other Financial Assets	12.43	-	-	12.43
	259.77	-	-	**259.77**
Financial liabilities held at amortised cost :				
- Trade Payables	-	-	109.55	109.55
- Lease Liabilities	-	-	3.30	3.30
- Other financial liabilities	-	-	14,573.89	14,573.89
	-	-	**14,686.74**	**14,686.74**

Fair value hierarchy as at 31 March 2024

(Amount Rs. In lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial assets at amortised cost:				
- Investments (FVTPL)	85.72	-	-	85.72
- Cash and Cash Equivalents	19.49	-	-	19.49
- Bank Balances other than above	60.25	-	-	60.25
- Other Financial Assets	13.51	-	-	13.51
	178.97	-	-	**178.97**
Financial liabilities held at amortised cost :				
- Trade Payables	-	-	25.58	25.58
- Lease Liabilities	-	-	10.51	10.51
- Other financial liabilities	-	-	10,679.31	10,679.31
	-	-	**10,715.40**	**10,715.40**

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Notes forming part of the financial statements for the year ended 31 March 2025

33	RATIOS	Numerator	Denominator	2024-25	2023-24	Variance %	Reason for Variance
(a)	Current Ratio (in times)	Total Current Assets	Total Current Liabilities	3.51	1.81	94%	Decrease due to Increase in current assets.
(b)	Debt- equity Ratio (in times)	Debts consists of borrowings and lease liabilities	Total Equity	0.00	-0.34	-100%	Decrease due to decrease in Lease Liability.
(c)	Debt Service Coverage Ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	226.41	40.41	460%	Increase due to increase in Revenue.
(d)	Return on Equity Ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	NA	-239.96%	-	Could not be computed due to negative Average total equity.
(e)	Inventory turnover ratio (in times)	Revenue from Operations	Average Inventory	5.02	0.03	-16200%	Increase due to increase in Revenue.
(f)	Trade Receivables turnover ratio (in times)	Revenue from Operations	Average Trade Receivables	33.63	-	-	Increase due to increase in Receivables.
(g)	Trade payables turnover ratio (in times)	Total Expenses - Finance Cost - Depreciation and Amortisation Expenses	Average Trade Payables	-39.09	-24.89	-57%	Decrease due to increase in Loss.
(h)	Net capital turnover ratio (in times)	Revenue from Operations	Average working capital (i.e. Total current assets less Total current liabilities)	0.25	0.00	-16858%	Due to increase in Revenue.
(i)	Net profit ratio (in %)	Profit for the Year	Revenue from Operations	-188%	-40712%	100%	Due to increase in Revenue.
(j)	Return on Capital employed (in %)	Profit before tax and finance costs	Capital employed =Tangible Net Worth + Total Debt + Deferred Tax Liability- Deferred Tax Asset	96.70%	1734.75%	94%	Decrease due to increase in loss.
(k)	Return on investment (in %)	Income generated from Other investments under Current Financial Assets	Average of Other investments under Current Financial Assets	11.07%	131.04%	-92%	Decrease due to decrease in income.

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CHEMFAB ALKALIS KARAIKAL LTD. ★ CAKL

34 Contingent Liabilities and Commitments

Particulars	As at 31 March 2025 Rs. In Lakhs	As at 31 March 2024 Rs. In Lakhs
Contingent Liabilities	-	-
Capital and Other Commitments	8.60	36,621.21

35 Related Party Transactions

List of Related Parties

(i)	Ultimate Holding Company	Chemfab Alkalis Limited
(ii)	Key Management Personnel (KMP) (Refer Note Below)	Mr. V.M. Srinivasan - Chief Executive Officer Mr. Prasath S - Chief Financial Officer

Note: Related party relationships are as identified by the Management.

35.1 Transactions with Related Parties

Nature of Transaction	Related Party	For the Year Ended 31 March 2025 Rs. In Lakhs	For the Year Ended 31 March 2024 Rs. In Lakhs
I. Transactions during the year			
Purchase of Goods	Chemfab Alkalis Limited	3.84	6.39
Purchase of Property, Plant & Equipment	Chemfab Alkalis Limited	3,93	4.11
Sale of Goods and Services	Chemfab Alkalis Limited	120.33	-
Sale of Property, Plant & Equipment	Chemfab Alkalis Limited	152.28	-
Interest Expense on Loan	Chemfab Alkalis Limited	42.86	-
Issue of Preference Shares (Refer Note 16)	Chemfab Alkalis Limited	4,400.00	6,300.00
Reimbursement of Expenditure	Chemfab Alkalis Limited	0.77	20.18
II. Balances Outstanding at the end of the year			
Payables	Chemfab Alkalis Limited	0.08	0.40
Advances	Chemfab Alkalis Limited	1,543.58	-
Other Financial Liabilities	Chemfab Alkalis Limited	14,400.00	10,000.00

Note :
(a) The Holding Company has appointed Chief Executive Officer and Chief Financial Officer as its representatives to manage the activities of the Company. There are no amounts payable towards the same.
(b) Also Refer Notes 16.2 and 38, 39
(c) All the transactions are at arm's length

36 Taxation

Tax expense comprises of current tax and deferred tax. The provision for taxation has been made in the financial statements in accordance with the provision of the Income Tax, 1961. Further, the provision for taxation for the current year has been determined by the Management based on the tax position to be considered for tax filing and its assessment of the probability of acceptance of the same by the taxation authorities.

Deferred tax has not been recognised in line with the accounting policy considering the Company, post incorporation, did not have any major operations until 31 March 2025.

36.1 Income Tax recognised in the Statement of profit and loss

Particulars	As at 31 March 2025 Rs. In Lakhs	As at 31 March 2024 Rs. In Lakhs
(i) Current Tax:		
- in respect of current year	2.69	18.38
Total (A)	2.69	18.38
(ii) Deferred Tax:		
- in respect of current year	-	-
Total (B)	-	-
Total income tax expense recognised in profit and loss account (A+B)	2.69	18.38
Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:		
Loss before tax	(2,202.29)	(348.03)
Income Tax using the Company's domestic Tax rate	(554.27)	(87.59)
Tax Effect of :		
Deferred Taxes (Refer note above)		
- Effects on account of carry forward losses	308.66	106.17
- Effects on account of temporary differences	(0.56)	(0.19)
- Expenses that are non-deductible in determining taxable profit	248.86	[illegible]
Income Tax expense recognised in statement of profit and loss account	2.69	18.38

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37 Earnings Per Share

Particulars	For the Year Ended 31 March 2025 Rs. In Lakhs	For the Year Ended 31 March 2024 Rs. In Lakhs
Face Value Per Share - Rs.	10	10
(Loss) for the Year / Period	(2,204.98)	(366.41)
Less: Dividend on Preference Shares (Including Tax Thereon) (Refer Note 16.2)	(1.35)	(0.76)
Net Loss attributable to the Equity shareholders - Rs. In Lakhs	(2,206.33)	(367.17)
Weighted Average number of Equity Shares	53,20,000	53,20,000
Earnings Per Share of Rs.10 each (Rs.) - Basic	(41.47)	(6.90)
Earnings Per Share of Rs.10 each (Rs.) - Diluted (Also refer note below)	(41.47)	(6.90)

Note:
Since the Company has incurred loss during the current year ended 31 March 2025 and the previous period ended 31 March 2024, the potential equity shares have not been considered for the purpose of computation of Diluted Earnings Per Share since the same is anti-dilutive.

38 I Defined contribution plans:

The Company makes Provident Fund, Superannuation Fund which are defined contribution plans, for qualifying employees. During the year, the Company has recognised the following amounts under Defined Contribution Plan in the Statement of Profit and Loss:

Amount Rs. In lakhs

Particulars	For the Year Ended	
	31 March 2025	31 March 2024
Employer's Contribution to Provident Fund/Pension Scheme	19.19	25.48
Employer's Contribution to Employee Deposit Linked Insurance scheme	0.38	0.31
	19.57	25.79

II Defined Benefit Plan:

The company participates in a defined benefit plan of its holding company. The company has no contractual agreement or a stated policy on charging of the cost of net defined benefit plan to the individual entities. The company also doesnot have any agreement over the contribution payable to the fund. Hence the accounting of the net defined benefit plan is done in the holding company. Refer note 41 of the Holding company for the disclosures.

39 There are certain common costs primarily in the nature of administrative expenses incurred by Chemfab Alkalis Limited ("the Holding Company") including for the Company. The Holding Company has confirmed to the Company that no amounts need to be paid towards the same.

40 Corporate Social Responsibility Expenses (CSR)

In view of losses incurred by the Company, the provisions of Section 135 of the Companies Act, 2013 relating to CSR are not applicable for the current year and previous period.

41 Additional Regulatory Information

(i) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.

(ii) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2025 for holding any benami property under the Benami Transactions (Prohibition) Act,1988 (as amended in 2016) and rules made thereunder

(iii) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year 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).

(iv) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(v) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(vi) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vii) 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:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(viii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(ix) The Company does not have any Scheme of Arrangements which have been approved by the Competent Authority in terms of sections 230 to 237 of the Act.

(x) The Company has complied with the the number of layers prescribed under of Section 2(87) of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

CHEMFAB ALKALIS KARAIKAL LTD. CAKL

(xi) As per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014 the Company uses only such accounting softwares for maintaining its books of account that have a feature of recording audit trail of each and every transaction creating an edit log of each change made in the books of account along with the date when such changes were made and who made those changes within such accounting software. This feature of recording audit trail has operated throughout the year and was not tampered with during the year.

However, in respect of an payroll software and in respect of an accounting software used for maintaining the financial records, in the absence of service organization control reports from the respective vendors, the Company is unable to assess whether the audit trail features were enabled and operated throughout the relevant periods for all relevent transactions recorded in the payroll software (for the full year) and the accounting software (for the audit period January 01, 2025, to March 31, 2025).

The Company has established and maintained an adequate internal control framework over its financial reporting and based on its assessment, has concluded that the internal controls for the year ended March 31, 2025 were effective.

The Companies (Accounts) Fourth Amendment Rules, 2022 dated 06 August 2022, mandates that the backup of the books of account and other books and papers of the company maintained in electronic mode including at a place located in India on a daily basis. The Company is maintaining daily backups for all the accounting software in a server which is physically located within India. However, in respect of an accounting software used for maintaining the financial records, the management is unable to assess on the backup of books of accounts due to non-availability of the Service Organisation Control (SOC) report covering the period from January 01, 2025, till March 31, 2025.

42 Events subsequent to the Balance Sheet date:

The Company Secretary has been relieved from the duties and responsibilities of the Company Secretary and Compliance Officer with effect from the close of office hours on 18 April 2025, consequent upon resignation.

43 Approval of Financial Statements

The Board of Directors have approved these financial statements in the Board meeting held on 14 May 2025.

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Suresh Krishnamurthi Rao
Chairman
DIN: 00127809
Place : Chennai

V M Srinivasan
Chief Executive Officer
Place : Chennai

CHEMFAB ALKALIS KARAIKAL LTD. CAKL

S Prasath
Chief Financial Officer
Place : Chennai

Date : 14 May 2025