KILBURN CHEMICALS LIMITED

ANNUAL REPORT 2024

CORPORATE INFORMATION

BOARD OF DIRECTORS	Mr. Ankit Patel	Executive Chairman
	Mr. Darshan Patel	Managing Director
	Mr. Karana Patel	Director
	Mr. Maulik Patel	Director
	Mr. Kaushal Soparkar	Director

REGISTERED & CORPORATE OFFICE	"Meghmani House" Behind Safal Profitaire, Coporate Road, Prahaladnagar, Ahmedabad – 380015,

PLANT LOCATION	Plot No. D2/CH-170, Dahej-II, Industrial Estate, Village: Jolwa, Taluka: Vagra, District: Bharuch- 392 130. Gujarat

PRINCIPAL BANKERS	**HDFC Bank Limited** Corporate Banking, 3rd Floor HDFC Bank House, Opp Jain Dersar, Navrangpura, Ahmedabad-380009, Gujarat, India
STATUTORY AUDITOR	**S R B C & CO LLP** Chartered Accountants. Ahmedabad

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DIRECTORS' REPORT

Your Directors take pleasure in presenting the 34th Annual Report together with the Audited Accounts of the Company for the Financial Year ended 31st March, 2024.

FINANCIAL HIGHLIGHTS

Particulars	2023-24	2022-23
Revenue from Operations	109.74	-
Other income	100.68	21.30
Total Income	210.42	21.30
Profit Before Exceptional items & tax	(4256.02)	(3277.59)
Exceptional item	-	(1881.99)
Profit Before Tax	(4256.02)	(1395.59)
Profit After Tax	(4256.02)	(1395.59)

GENERAL REVIEW OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS AND FINANCIAL PERFORMANCE

During the year under review, your Company has set up co-gen power Plant of 11.85 MW to meet continue power supply to manufacture TiO2.

Your Company has commissioned Phase 1 of Titanium Dioxide (TiO2) plant at Dahej, Gujarat with an installed capacity of 16,500 MTPA in the last year which is under stabilization.

TiO2, is one of the most widely used white pigment because of its brightness and its strong UV light absorbing capabilities. It is used to provide whiteness and opacity to products such as paints, coatings, plastics, papers, inks, foods, medicines, toothpastes. Paints and Coatings is the major end-use industry for TiO2 and is growing at a double digit growth rate. One of the major benefits of foraying into TiO2 is the advantage of this product being an import substitute. Currently, around 70% of TiO2 is being imported in India.

FUTURE OUTLOOK

India's Titanium Dioxide (TiO2) is expected to grow at a 4.2% CAGR reaching 3,29,000 MTPA by 2025. Capex announcement in paint sector will further accelerate the growth.

Your Company is committed to provide value additions to its shareholders in a long run.

RESERVES AND SURPLUS

The Company has not transferred any amount to General Reserves for the Financial Year 2022-23.

DIVIDEND

Your Directors have not recommended any Dividend for the financial year ended 31st March, 2024.

SHARE CAPITAL

The Paid-up Equity Share Capital as at 31st March, 2024 stood at Rs. 12.15 Crore.

Under the year review, the Company has neither made any issue of equity shares with differential voting rights nor has granted any stock options or sweat equity. The Company has no ESOP scheme in place.

DEPOSITS

The company has not accepted any deposit from the public and shareholders falling within the ambit of section 73 of the companies Act 2013, read with the Companies (Acceptance of Deposits) Rules, 2014.

AUDITORS' REPORT

There is no qualification, reservation or adverse remarks or disclaimer made by the Auditors in their report on the financial statement of the Company for the Financial Year ended on 31st March, 2024.

BOARD MEETINGS

During the year, the Board meet 5 times on 29.04.2023, 06.06.2023 14.08.2023, 07.11.2023, and 30.01.2024. The maximum gap between any two Board Meetings was less than one Hundred and Twenty days.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements.

RELATED PARTY TRANSACTIONS (RPT)

All contracts / arrangements / transactions entered into with Related Parties during the year under review were in the ordinary course of business and on an arm's length basis.

There were no Material Related Party Transactions i.e. transactions exceeding 10% of the annual turnover as per the last audited financial statements. Hence, no transactions are required to be reported in Form AOC2.

MATERIAL CHANGES

There are no material changes during the year under review.

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

The information pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure- A** and is attached to this report.

SUBSIDIARY COMPANIES

The Company do not have any subsidiary, the Company is wholly Owned Subsidiary (WOS) Company of Meghmani Organics Limited.

DIRECTORS

There is no change in the Directors of the Company for the year under review. Presently, the following are the directors of the Company;

Mr. Ankit Patel,	Executive Chairman
Mr Darshan Patel,	Managing Director
Mr. Maulik Patel,	Non-Executive Director
Mr. Karana Patel,	Non-Executive Director and
Mr. Kaushal Soparkar	Non-Executive Director

KEY MANAGERIAL PERSONNEL

Pursuant to Section 2(51) of the Companies Act, 2013, read with the Rules framed there under, the following persons have been designated as Key Managerial Personnel of the Company:

1. Mr. Darshan Patel – Managing Director
2. Mr. Gurjant Singh Chahal – Chief Financial Officer (CFO)
3. Mr. Jayesh Patel – Company Secretary

INTERNAL AUDIT

M/s. C N K Khandwala & Associates, Chartered Accountants has been appointed as Internal Auditor for the Financial Year 2024-25.

FIXED DEPOSITS

During the year, the Company has not accepted any deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Rules framed there under.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

A provision relevant to Corporate Social Responsibility (CSR) as provided under Section 135 of the Companies Act, 2013, was not applicable to your Company during the year under review and hence the Board has not constituted CSR Committee and relevant Policy thereof.

AUDITORS

STATUTORY AUDITORS

M/s. SRBC & Co LLP, Chartered Accountants, Ahmedabad (Firm Regn. No. 324982E / E 300003) has been appointed as Statutory Auditors of the Company for a period of five years to hold office from the conclusion of 32nd Annual General Meeting till the conclusion of 37th AGM, which were ratified by the shareholders in their Annual General meeting held on 30th September, 2022.

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

The Statutory Auditor's comment on your Company's account for the year ended March 31, 2023 are self-explanatory in nature and do not require any explanation. The Auditors Report does not contain any qualification or adverse remarks.

SECRETARIAL AUDITOR

Secretarial Audit Reports obtained from M/s. Shah & Associates, Company Secretaries, Ahmedabad in accordance with the provision of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith.

INSURANCE

The Company's Plant, Property, Equipment and Stocks are adequately insured under the Industrial All Risk Policy.

ENVIRONMENT

As a responsible corporate citizen and as a chemicals manufacturer environmental safety has been one of the key concerns of the Company. It is the constant endeavour of the Company to strive for compliant of stipulated pollution control norms.

INDUSTRIAL RELATIONS

The relationship with the workmen and staff remained cordial and harmonious during the year and management received full cooperation from employees.

PARTICULARS OF EMPLOYEES

The statement containing particulars of employees as required under section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in an Annexure and forms part of this report. In terms of Section 136(1) of the Companies Act, 2013, the Report and Audited Accounts are being sent to the members excluding the aforesaid Annexure. Any member interested in obtaining a copy of the Annexure may write to the Company Secretary at the registered office of the Company for a copy of it.

DIRECTORS' RESPONSIBILITY STATEMENT

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

a) In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at **31st March, 2024** and of the profit of the Company for the period ended on **31st March, 2024**.

c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The Directors had prepared the Annual Accounts on a Going Concern Basis;

e) The Directors had laid down Internal Financial Controls (IFC) and that such Internal Financial Controls are adequate and have been operating effectively.

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

ACKNOWLEDGMENT

The Board of Directors places on record their grateful appreciation for the assistance and continued support received from various Central and State Government Departments, Organizations and Agencies involved therein. Your Directors place specially on record their grateful appreciation for hand-holding support and co-operation received from National Company Law Tribunal, Resolution Professional and other agencies involved in handing over possession of the Company in accordance approved Resolution Plan of the Company. Your Directors also gratefully acknowledge all stakeholders of the Company viz. Customers, Members, Dealers, Vendors, Banks and other business partners for the excellent support received from them during the year under review. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to achieve goals of the Company.

For and on behalf of the Board

Date: 11 May, 2024	**Ankit Patel**	**Darshan Patel**
Place: Ahmedabad	**Executive Chairman**	**Managing Director**
	DIN: 02180007	**DIN: 02047676**

Annexure A – Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo

[A] Conservation of Energy

(i) **(a) Steps taken on conservation of energy:**

-Using VFD to avoid unload hours power consumption

-Using Energy Efficient IE3 Class Motors

-Using Capacitor/APFCR Panel for Improvement of Power factor

-Using LED Light fixtures

(b) Impact on conservation of energy:

-Reduction of energy consumption units as well as cost of electricity bills.

(ii) The Steps taken by the Company for utilising alternate sources of energy:

During the year under review, your Company was in the process of revamp of manufacturing unit post Corporate Insolvency Resolution Process (CIRP).

(iii) The capital investment on energy conservation equipment: 3.27 Crores.

[B] TECHNOLOGY ABSORPTION:

(i) Efforts made towards technology absorption: The Company revamped the existing manufacturing and used updated technologies thein as per resolution plan approved by Hon'ble National Company Law Tribunal.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution: The **Company commenced production and product quality was under stabilization.**

(iii) Information regarding technology imported, during the last 3 years:

S.No	Particulars (Name of machinery imported)	From which Country	Amount (Rs. In lakhs)	Year of Import
1	Filter Press	China	814.78	2023
2	Heat Exchanger	China	650.60	2023
3	FRP Blower	China	24.98	2023
4	Gear Box	China	61.24	2024
5	Digester Shaft Blade	China	91.37	2022
6	Electro road	China	32.31	2022

(iv) Expenditure incurred on Research and Development:

Particulars	**FY2024**	**FY2023**
	(Rs in Lakhs)	
Capital		
Recurring		
Total	**NIL**	

[C] **Foreign Exchange Earnings and Outgo:**

Foreign Exchange Earnings: - **Rs. NIL Lakhs**

Foreign Exchange Outgo: - **Rs. 2552.47 Lakh**

For and on behalf of the Board

Date: 11 May, 2024	**Ankit Patel**	**Darshan Patel**
Place: Ahmedabad	**Executive Chairman**	**Managing Director**
	DIN: 02180007	**DIN: 02047676**

S R B C & CO LLP
Chartered Accountants

21st Floor, B Wing, Privilon
Ambli BRT Road, Behind Iskcon Temple
Off SG Highway, Ahmedabad - 380 059, India
Tel : +91 79 6608 3900

INDEPENDENT AUDITOR'S REPORT

To the Members of Kilburn Chemicals Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Kilburn Chemicals Limited ("the Company"), which comprise the Balance sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as financial statements).

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, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss including other comprehensive income, 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 (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

S R B C & CO LLP
CHARTERED ACCOUNTANTS

Responsibility of Management 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 income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

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

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph (i)(vi) below on reporting under Rule 11(g);

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

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g).

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 35 to the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 42 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 42 to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such 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 (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

S R B C & CO LLP
CHARTERED ACCOUNTANTS

vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account 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, audit trail feature is not enabled for certain changes made using privileged access rights, as described in note 42 to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sukrut Mehta
Partner
Membership Number: 101974
UDIN: 24101974BKERSZ2932
Place of Signature: Ahmedabad
Date: May 11, 2024

Annexure 1 referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date of Kilburn Chemicals Limited for the year ended March 31, 2024.

i. (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(a)(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) All Property, Plant and Equipment were physically verified by the management in the earlier year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were identified during such verification.

(c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. No material discrepancies in aggregate for each class of inventory were noted on physical verification of inventory.

(b) As disclosed in note 16 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from bank during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such bank are in agreement with the audited books of accounts of the Company. The company do not have such sanctioned working capital limits in excess of Rs. five crores in aggregate from financial institution during the year on the basis of security of current assets of the Company.

iii. (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c), (d), (e) and (f) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, provisions of section 186 of the Act in respect of investments made have been complied with by the Company. Further, in our opinion and according to the information and explanations given to us, there are no loans, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable. Accordingly, the requirement to report on clause 3 (iv) of the order is not applicable to that extent to the Company.

v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products of the company.

vii. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance ("ESIC"), income-tax, professional tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues of duty of goods and service tax, provident fund, ESIC, income tax, professional tax, cess and other statutory dues which have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount involved (Rs. in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Goods & Service Tax Act, 2017	ITC Credit Mis MATCH between GST2A and 3B	50.74	2018-19	Commissioner Appeals
Goods & Service Tax Act, 2017	Excess ITC availed.	13.90	2017-18 and 2018-19	Commissioner Appeals

viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

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

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

S R B C & CO LLP CHARTERED ACCOUNTANTS

(e) The company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the order is not applicable to the company.

(f) The company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(f) of the order is not applicable to the company.

x. (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

xii. The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) (b) and (c) of the Order is not applicable to the Company.

xiii. Transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order in so far as it relates to section 177 of the Act is not applicable to the Company.

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

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

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

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

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

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

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has incurred cash losses amounting to INR 3,012.33 lakhs and INR 2,035.84 lakhs in the current year and in the immediately preceding financial year respectively.

xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

xix. On the basis of the financial ratios disclosed in note 40 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. The provisions of section 135 of the Companies Act, 2013 in relation to the Corporate Social Responsibility is not applicable to the company. Accordingly, the requirement to report on clause 3(xx)(a) and (b) of the Order is not applicable to the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sukrut Mehta
Partner
Membership Number: 101974
UDIN: 24101974BKERSZ2932
Place of Signature: Ahmedabad
Date: May 11, 2024

Annexure 2 to the Independent Auditor's Report of even date on the Financial Statements of Kilburn Chemicals Limted

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

We have audited the internal financial controls with reference to financial statements of Kilburn Chemicals Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 these 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 these 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 these 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 these financial statements.

S R B C & CO LLP
CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls 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 controls 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, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sukrut Mehta
Partner
Membership Number: 101974
UDIN: 24101974BKERSZ2932
Place of Signature: Ahmedabad
Date: May 11, 2024

S R B C & CO LLP
CHARTERED ACCOUNTANTS

Kilburn Chemicals Limited
Balance Sheet as at 31st March 2024

PARTICULARS	Notes	Rs. in Lakhs (except as stated otherwise)	
		31st March 2024	31st March 2023
ASSETS			
Non-Current Assets			
(a) Property Plant and Equipment	3.1	16,531.69	17,829.34
(b) Capital Work in Progress	3.2	37,295.24	21,020.84
(c) Intangible Assets	3.3	10.08	12.66
(d) Financial Assets			
(i) Investments	4	0.95	0.95
(ii) Other Financial Assets	5	212.68	464.92
(e) Income Tax Assets (Net)	6	15.96	5.12
(f) Other Non-Current Assets	7	936.93	888.62
Total Non Current Assets		**55,103.53**	**40,221.45**
Current Assets			
(a) Inventories	8	2,996.14	1,303.83
(b) Financial Assets			
(i) Trade Receivables	9	79.53	10.39
(ii) Cash and Cash Equivalents	10	203.81	279.76
(iii) Other Current Financial Assets	11	1.00	1.00
(c) Other Current Assets	12	7,107.01	4,551.58
Total Current Assets		**10,386.49**	**6,146.56**
TOTAL ASSETS		**65,490.02**	**46,368.01**
EQUITY AND LIABILITIES			
Equity			
(a) Share Capital	13	1,215.00	1,215.00
(b) Unsecured Perpetual Securities	14	42,384.22	24,580.00
(c) Other Equity	15	(2,184.66)	2,066.47
Total Equity		**41,414.56**	**27,861.47**
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	16,919.79	12,778.17
(b) Provision	17	42.67	12.82
(c) Other Non-Current Liabilities	18	591.53	591.53
Total Non Current Liabilities		**17,553.99**	**13,382.52**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	2,985.85	-
(ii) Trade Payables	20		
Total outstanding dues of micro and small enterprise		465.77	171.37
Total outstanding dues of creditors other than micro and small enterprise		907.08	512.11
(iii) Other Financial Liabilities	21	2,106.16	4,408.39
(b) Other Current Liabilities	22	55.38	31.64
(c) Provisions	23	1.23	0.51
Total Current Liabilities		**6,521.47**	**5,124.02**
Total Liabilities		**24,075.46**	**18,506.54**
TOTAL EQUITY AND LIABILITIES		**65,490.02**	**46,368.01**
Summary of Material Accounting Policies	2		

The accompanying notes are an integral part of these Financial Statements.

AS PER OUR REPORT OF EVEN DATE

FOR S R B C & CO LLP
Chartered Accountants
ICAI Firm Regn. No. 324982E / E300003

per Sukrut Mehta
Partner
Membership No : 101974

Place : Ahmedabad
Date : 11th May 2024

For And on Behalf of The Board of Directors of Kilburn Chemicals Limited
(CIN-U24117GJ1990PLC136801)

Ankit Patel-Executive Chairman
(DIN - 02180007)

Darshan Patel- Managing Director
(DIN - 02047676)

G S Chahal
Chief Financial Officer

Jayesh R Patel
Company Secretary

Place : Ahmedabad
Date : 11th May 2024

Kilburn Chemicals Limited

Statement of Profit and Loss for the year ended on 31st March 2024

PARTICULARS	Notes	Rs. In Lakhs (except as stated otherwise)	
		For the year ended 31st March 2024	For the year ended 31st March 2023
I Revenue From Operation	24	109.74	-
II Other Income	25	100.68	21.30
III - Total Income (I+II)		210.42	21.30
IV- Expenses			
Employee Benefits Expense	26	1,252.09	671.12
Finance Costs	27	518.33	106.38
Depreciation and Amortization Expenses	3	1,245.32	1,241.58
Other Expenses	28	1,450.70	1,279.80
Total Expenses (IV)		**4,466.44**	**3,298.88**
V - (Loss) Before Exceptional Items & Tax (III-IV)		(4,256.02)	(3,277.58)
VI - Exceptional Items	29	-	(1,881.99)
VII - (Loss) Before Tax (V-VI)		(4,256.02)	(1,395.59)
VIII - Tax Expenses	30	-	-
Total Tax Expenses (VIII)		-	-
IX. (Loss) For The Year (VII-VIII)		(4,256.02)	(1,395.59)
X. Other Comprehensive Income	31		
Items that will not be reclassified to profit or loss in Subsequent periods			
Remeasurement gain on defined benefit plans		4.89	1.58
Income tax effect on above		-	-
Total other comprehensive income for the year, net of tax (X)		4.89	1.58
XI. Total Comprehensive (Loss) For The Year (IX+X)		(4,251.13)	(1,394.01)
XII. Earnings Per Equity Share (Face Value Per Share - Rs 10 Each) (In Rs.)	32	(35.03)	(11.49)
Basic and Diluted			
Summary of Material Accounting Policies	2		

The accompanying notes are an integral part of these Financial Statements.

AS PER OUR REPORT OF EVEN DATE

For And on Behalf of The Board of Directors of Kilburn Chemicals Limited
(CIN-U24117GJ1990PLC135801)

Ankit Patel-Executive Chairman
(DIN - 02180007)

Darshan Patel- Managing Director
(DIN - 02047676)

FOR S R B C & CO LLP
Chartered Accountants
ICAI Firm Regn. No. 324982E / E300003

per Sukrut Mehta
Partner
Membership No : 101974

G S Chahal
Chief Financial Officer

Jayesh R Patel
Company Secretary

Place : Ahmedabad
Date : 11th May 2024

Place : Ahmedabad
Date : 11th May 2024

Kilburn Chemicals Limited
Statement of Cash Flow for the year ended 31st March 2024

PARTICULARS	For the year ended 31st March 2024	For the year ended 31st March 2023
	Rs. In Lakhs (except as stated otherwise)	
A. Cash Flow from Operating Activities		
(Loss) Before Tax	(4,266.02)	(1,395.59)
Adjustment to reconcile profit before tax to net cash flows :		
Depreciation and Amortisation Expenses	1,245.32	1,241.58
Unrealised Foreign Exchange (Gain) / Loss (Net)	(0.02)	12.71
Liability no longer Required written back	(1.90)	(1,891.99)
Finance Cost	518.33	106.38
Interest Income	(1.85)	(12.54)
(Profit) on Sale/Discard of Property, Plant & Equipment (Net)	(0.92)	(2.18)
Operating Profit Before Working Capital Changes	(2,496.46)	(1,931.63)
Adjustment for:		
(Increase) in Inventories	(1,891.31)	(916.04)
(Increase) in Trade Receivables	(69.14)	(8.35)
(Increase) in Other Current Assets	(2,555.43)	(3,571.55)
Decrease/(Increase) in Other Non-Current Financial Assets	253.89	(365.77)
(Increase) in Other Non-Current Assets	(1.34)	-
Increase in Trade Payables	890.89	590.62
(Decrease)/Increase in Other Current Financial Liabilities	(1,328.80)	289.66
Increase in Other Current Liabilities	23.74	21.19
Increase in Provisions	35.46	12.30
Working Capital Changes	(4,642.24)	(3,948.54)
Cash (Used in) Operations	(7,138.70)	(5,880.17)
Direct Taxes Paid (Including TDS)	(10.84)	(5.07)
Net Cash (Used in) from Operating Activities	(7,149.54)	(5,885.24)
B. Cash Flow from Investment Activities		
Purchase of Property, Plant & Equipment and Intangible assets (including CWIP & Capital Advance)	(15,949.57)	(18,530.74)
Proceeds from sale of Property, Plant & Equipment	1.70	1.10
(Investment) in Fixed Deposits & Margin Money	-	(2.00)
Interest Received	-	1.27
(Investment) in shares of Meghmani Foundation	-	(0.95)
Net Cash (Used in) Investing Activities	(15,947.87)	(18,531.32)
C. Cash Flow from Financing Activities		
Proceeds from Issue of Unsecured Perpetual Securities	17,804.22	12,254.00
Finance Cost Paid	(1,910.23)	(404.77)
Proceeds from Bank Borrowing (Term Loan)	7,127.47	12,778.17
Net Cash Generated From Financing Activities	23,021.46	24,627.40
Net (Decrease)/Increase in Cash and Cash Equivalent (A+B+C)	(75.96)	210.84

Cash and Cash Equivalent at the beginning of the year	279.76	68.92
Cash and Cash Equivalent at the end of the year	203.81	279.76
Cash and Cash Equivalent Comprises as under :		
Balance with Banks in Current Accounts	203.73	279.66
Cash on Hand	0.08	0.10
Cash and Cash Equivalent at the end of the year (Refer Note 10)	203.81	279.76

... & CO LLP ... ACCOUNTANTS

Kilburn Chemicals Limited
Statement of Cash Flow for the year ended 31st March 2024

Notes to the Statement of Cash Flow for the year ended on 31st March 2024.

1) The Statement of Cash Flow has been prepared under the Indirect Method as set out in the Indian Accounting Standard 7 on Statement of Cash Flows issued by the Institute of Chartered Accountants of India.

2) Changes in liabilities arising from financing activities

(Rs. in Lakhs)

Particulars	April 1, 2023	Cash flows	Other	March 31, 2024
Current borrowings (Note 19)	-	-	2,985.85	2,985.85
Unsecured Perpetual Securities (Note 14)	24,580.00	17,804.22	-	42,384.22
Non - current borrowings (Note 16)	12,778.17	7,127.47	(2,985.85)	16,919.79
Accrued interest (Note 21)	91.60	(91.60)	138.15	138.15
Total liabilities from financing activities	**37,449.77**	**24,840.09**	**138.15**	**62,428.01**

(Rs. in Lakhs)

Particulars	April 1, 2022	Cash flows	Other	March 31, 2023
Current borrowings (Note 19)	-	-	-	-
Unsecured Perpetual Securities (Note 14)	12,326.00	12,254.00	-	24,580.00
Non - current borrowings (Note 16)	-	12,778.17	-	12,778.17
Accrued interest (Note 21)	-	-	91.60	91.60
Total liabilities from financing activities	**12,326.00**	**25,032.17**	**91.60**	**37,449.77**

The 'Other' column includes the effect of reclassification of non-current portion of borrowings to current borrowings.

The accompanying notes are an integral part of these Financial Statements.

AS PER OUR REPORT OF EVEN DATE

FOR S R B C & CO LLP
Chartered Accountants
ICAI Firm Regn. No. 324982E / E300003

per Sukrut Mehta
Partner
Membership No : 101974

Place : Ahmedabad
Date : 11th May 2024

For And on Behalf of The Board of Directors of Kilburn Chemicals Limited
(CIN-U24117GJ1990PLC135801)

Ankit Patel-Executive Chairman
(DIN - 02180007)

Darshan Patel- Managing Director
(DIN - 02047676)

G S Chahal
Chief Financial Officer

Jayesh R Patel
Company Secretary

Place : Ahmedabad
Date : 11th May 2024

Kilburn Chemicals Limited

Statement Of Changes In Equity For The Year Ended 31st March 2024

(a) Equity Share Capital (Refer Note 13)

Particulars	Note	No of Shares	Rs. in Lakhs
Issued, Subscribed and fully paid equity shares of Rs 10 each			
As at 1st April 2022		1,21,50,000	1,215.00
Changes in Equity Share Capital due to prior period errors		-	-
As at 31st March 2023		1,21,50,000	1,215.00
Changes in Equity Share Capital due to prior period errors		-	-
Balance as at 1st April 2023		1,21,50,000	1,215.00
Changes in equity share capital during the year	13	-	-
As at 31st March 2024		1,21,50,000	1,215.00

(b) Unsecured Perpetual Securities (Refer Note 14)

Particulars	Rs. in Lakhs
As at 1st April 2022	12,326.00
Changes due to prior period errors	-
Balance as at 1st April 2022	12,326.00
Changes in Unsecured Perpetual Securities during the year	12,254.00
As at 31st March 2023	24,580.00
Changes due to prior period errors	-
Balance as at 1st April 2023	24,580.00
Changes in Unsecured Perpetual Securities during the year	17,804.22
As at 31st March 2024	42,384.22

(Rs. in Lakhs)

Particulars	(c) Other Equity (Refer Note15)				Total Other Equity
	Capital Reserve	Securities Premium	General Reserve	Retained Earning	
Opening Balance at April 1, 2022	1,801.72	2,237.56	1,347.50	(1,926.30)	3,460.48
Changes in accounting policy or prior period errors	-	-	-	-	-
Balance as at 1st April 2022	1,801.72	2,237.56	1,347.50	(1,926.30)	3,460.48
(Loss) for the year	-	-	-	(1,395.59)	(1,395.59)
Other Comprehensive Income for the year (net of taxes)	-	-	-	1.58	1.58
Total Comprehensive (Loss) for the year	-	-	-	(1,394.01)	(1,394.01)
As at 31st March 2023	1,801.72	2,237.56	1,347.50	(3,320.31)	2,066.47
Changes in accounting policy or prior period errors	-	-	-	-	-
Balance as at 1st April 2023	1,801.72	2,237.56	1,347.50	(3,320.31)	2,066.47
(Loss) for the year	-	-	-	(4,256.02)	(4,256.02)
Other Comprehensive Income for the year (net of taxes)	-	-	-	4.89	4.89
Total Comprehensive (Loss) for the year	-	-	-	(4,251.13)	(4,251.13)
As at 31st March 2024	1,801.72	2,237.56	1,347.50	(7,571.44)	(2,184.66)

The accompanying notes are an integral part of these Financial Statements.

AS PER OUR REPORT OF EVEN DATE

For And on Behalf of The Board of Directors of
Kilburn Chemicals Limited
(CIN-U24117GJ1990PLC136801)

FOR S R B C & CO LLP
CHARTERED ACCOUNTANTS
ICAI Firm Regn. No. 324982E / E300003

per Sukrut Mehta
Partner
Membership No : 101974

G S Chahal
Chief Financial Officer

Jayesh R Patel
Company Secretary

Ankit Patel-Executive Chairman
(DIN - 02180007)

Darshan Patel- Managing Director
(DIN - 02047676)

Place : Ahmedabad
Date : 11th May 2024

Place : Ahmedabad
Date : 11th May 2024

Kilburn Chemicals Limited

Notes to the Financial Statements for the year ended 31st March 2024

Note - 3

(Rs. In Lakhs)

Property, Plant and Equipment, Capital Work In Progress and Intangible Assets as on 31st March 2024

Note No.	Particulars	Gross Block				Accumulated Depreciation / Amortisation				Net	
		As at 1st April 2023	Addition	Deduction	As at 31st March 2024	As at 1st April 2023	Charge for the Year	On Deduction	As at 31st March 2024	As at 31st March 2024	As at 31st March 2023
3.1	Property, Plant and Equipment										
1	ROU - Leasehold Land	2,561.38	-	-	2,561.38	145.44	28.92	-	174.36	2,487.02	2,515.94
2	Building	4,218.05	-	-	4,218.05	600.76	147.28	-	748.04	3,470.01	3,617.29
3	Plant & Machinery	16,839.03	15.20	2.55	16,851.68	5,181.03	1,057.34	0.92	6,237.45	10,614.23	11,657.99
4	Furniture & Fixtures	19.29	13.59	-	32.88	1.49	2.68	-	4.17	28.71	17.80
5	Vehicles	-	-	-	-	-	-	-	-	-	-
6	Computers	6.18	3.54	-	9.72	1.35	2.42	-	3.77	5.95	4.83
7	Other Equipments	44.88	15.40	-	60.28	30.40	4.11	-	34.51	25.77	14.48
	Sub Total	23,788.81	47.73	2.55	23,833.99	5,960.47	1,242.75	0.92	7,202.30	16,631.69	17,828.34
3.3	Intangible Assets										
1	Licenses	12.88	-	-	12.88	0.22	2.58	-	2.80	10.08	12.88
	Sub Total	12.88	-	-	12.88	0.22	2.58	-	2.80	10.08	12.88
	Total	23,801.69	47.73	2.55	23,846.87	5,960.69	1,245.32	0.92	7,205.10	16,641.77	17,841.00

3.2 Capital Work In Progress

(Rs. In Lakhs)

Particulars	Total
Cost	
As at March 31, 2023	21,020.84
Addition	16,274.40
Capitalisation	-
As at March 31, 2024	37,295.24

(i) Capital Work-In-Progress as at 31st March 2024 comprises expenditure for the Plant & Machineries and Buildings in the course of construction.

(i) The amount of borrowing costs added to cost of capital work-in-progress during the year ended 31st March 2024 is Rs.1,438.44 Lakhs (31st March 2023: Rs.389.99 Lakhs). The rate used to determine the amount of borrowing costs eligible for capitalisation ranges between 8.42% to 8.80% (31 March 2023: 6.57% to 8.80%), which is the effective interest rate of the specific borrowings taken for above mentioned Projects.

(ii) Refer Note 39 for Right of use Assets details.

For Property Plant & Equipment existing as on 1 April 2015 i.e. the date of transition to Ind AS, the Company has used Indian GAAP carrying value as deemed cost as permitted by Ind AS 101 "First Time Adoption of Indian Accounting Standard". Accordingly, the net WDV as per Indian GAAP as on 1 April 2015 has been considered as Gross block under Ind AS. The accumulated depreciation is netted off as on 1 April 2015.

S R B C & CO LLP • CHARTERED ACCOUNTANTS

Kilburn Chemicals Limited

Notes to the Financial Statements for the year ended 31st March 2024

Note - 3

(Rs. In Lakhs)

Property, Plant and Equipment, Capital Work In Progress and Intangible Assets as on 31st March 2023

Note No.	Particulars	Gross Block				Accumulated Depreciation / Amortisation				Net	
		As at 1st April 2022	Addition	Deduction	As at 31st March 2023	As at 1st April 2022	Charge for the Year	On Deduction	As at 31st March 2023	As at 31st March 2023	As at 31st March 2022
3.1	Property, Plant and Equipment										
1	ROU - Leasehold Land	2,661.38	-	-	2,661.38	116.53	28.91	-	145.44	2,515.94	2,544.85
2	Building	4,218.05	-	-	4,218.05	453.33	147.43	-	600.76	3,617.29	3,764.72
3	Plant & Machinery	16,826.73	12.30	-	16,839.03	4,124.72	1,056.31	-	5,181.03	11,657.99	12,702.01
4	Furniture & Fixtures	9.59	9.70	-	19.29	0.12	1.37	-	1.49	17.80	9.47
5	Vehicles	5.43	-	5.43	-	4.26	0.39	4.65	-	-	1.17
6	Computers	0.71	5.47	-	6.18	0.11	1.24	-	1.35	4.83	0.60
7	Other Equipments	32.03	12.85	-	44.88	24.69	5.71	-	30.40	14.48	7.34
	Sub Total	23,753.92	40.32	5.43	23,788.81	4,723.76	1,241.36	4.65	5,960.47	17,828.34	19,030.16
3.3	Intangible Assets										
1	Licenses	-	12.88	-	12.88	-	0.22	-	0.22	12.66	-
	Sub Total	-	12.88	-	12.88	-	0.22	-	0.22	12.66	-
	Total	23,753.92	53.20	5.43	23,801.69	4,723.76	1,241.58	4.65	5,960.69	17,841.00	19,030.16

3.2 Capital Work In Progress

(Rs. In Lakhs)

Particulars	Total
Cost	
As at March 31, 2022	140.71
Addition	20,880.13
Capitalisation	-
As at March 31, 2023	21,020.84

(i) Capital Work-In-Progress as at 31st March 2023 comprises expenditure for the Plant & Machineries and Buildings in the course of construction.

(ii) The amount of borrowing costs added to cost of capital work-in-progress during the year ended 31st March 2023 is Rs.389.99 Lakhs (31st March 2022: Rs Nil Lakhs). The rate used to determine the amount of borrowing costs eligible for capitalisation ranges between 6.57% to 8.80% (31 March 2022: Nil), which is the effective interest rate of the specific borrowings taken for above mentioned Projects.

(iii) Refer Note 39 for Right of use Assets details.

(iv) For Property Plant & Equipment existing as on 1 April 2015 i.e. the date of transition to Ind AS, the Company has used Indian GAAP carrying value as deemed cost as permitted by Ind AS 101 "First Time Adoption of Indian Accounting Standard". Accordingly, the net WDV as per Indian GAAP as on 1 April 2015 has been considered as Gross block under Ind AS. The accumulated depreciation is netted off as on 1 April 2015.

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Kilburn Chemicals Limited

Notes to the Financial Statements for the year ended 31st March 2024

Capital work in progress (CWIP) Ageing Schedule As at 31 March 2024

Rs. In Lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	16,274.40	20,880.13	140.71	-	37,295.24
Total	16,274.40	20,880.13	140.71	-	37,295.24

CWIP completion schedule for capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan

Rs. In Lakhs

Particulars	To be completed within				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Titanium Dioxide Plant	37,295.24	-	-	-	37,295.24
Total	37,295.24	-	-	-	37,295.24

Capital work in progress (CWIP) Ageing Schedule As at 31 March 2023

Rs. In Lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	20,880.13	140.71	-	-	21,020.84
Total	20,880.13	140.71	-	-	21,020.84

CWIP completion schedule for capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan

Rs. In Lakhs

Particulars	To be completed within				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Titanium Dioxide Plant	21,020.84	-	-	-	21,020.84

Also Refer Note 3.2 (iii) above

S R B C & CO LLP * CHARTERED ACCOUNTANTS

Kilburn Chemicals Limited

Notes to the Financial Statements for the year ended 31st March 2024

NOTE:4 FINANCIAL ASSETS : INVESTMENTS

PARTICULARS	Rs. in Lakhs	
	31st March 2024	31st March 2023
Investment at fair value through Other Comprehensive Income		
(I) Investments in Equity Shares (Unquoted) (at cost)		
9,500 (31st March 2023 - 9,500) Equity Shares of Meghmani Foundation of Rs. 10/- each *	0.95	0.95
Total	0.95	0.95

*Subscribed during the previous year w.e.f. 18th November 2022.

NOTE:5 OTHER FINANCIAL ASSETS (NON CURRENT)

PARTICULARS	Rs. in Lakhs	
	31st March 2024	31st March 2023
Unsecured, Considered Good		
Security Deposits	211.68	463.92
Bank Deposits with original maturity of more than 1 year (refer note below)	1.00	1.00
Total	212.68	464.92

Note : -

Fixed bank deposits amounting Rs 1 Lakh (31st March 2023 - Rs. 1 Lakh) were for varying periods of 1 to 6 years and earns interest of 7.00% (31st March 2023 - 7.00%).

NOTE:6 INCOME TAX ASSETS (NET)

PARTICULARS	Rs. in Lakhs	
	31st March 2024	31st March 2023
Tax deducted at source (TDS)	15.96	5.12
Total	15.96	5.12

NOTE:7 OTHER NON-CURRENT ASSETS

PARTICULARS	Rs. in Lakhs	
	31st March 2024	31st March 2023
Unsecured, Considered Good		
Capital Advances	935.39	888.62
Balance with Government Authorities	1.54	-
Total	936.93	888.62

NOTE:8 INVENTORIES (VALUED AT LOWER OF COST OR NET REALISABLE VALUE)

PARTICULARS	Rs. in Lakhs	
	31st March 2024	31st March 2023
Raw Materials	2,647.61	1,131.99
Stores and Spares	216.12	95.84
Others (Packing and Fuel Material)	131.41	76.00
Total	2,995.14	1,303.83

S R B C & CO LLP CHARTERED ACCOUNTANTS

Kilburn Chemicals Limited
Notes to the Financial Statements for the year ended 31st March 2024

NOTE:9 TRADE RECEIVABLES

PARTICULARS	Rs. in Lakhs	
	31st March 2024	31st March 2023
Trade receivables		
Secured, Considered Good	-	-
Unsecured, Considered Good	79.53	10.39
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
	79.53	10.39
Impairment allowance (allowance for bad and doubtful debts)		
Unsecured, Considered Good	-	-
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total	79.53	10.39

Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days.
For amounts due and terms and conditions relating to related party receivables, Refer Note 37.
For information about Credit Risk and Market Risk related to Trade Receivables, Refer Note 38.
No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.

Trade receivables Ageing Schedule
As at 31 March 2024 Rs. in Lakhs

PARTICULARS	Current but not due	Outstanding for following periods from due date of receipts					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	72.05	5.30	2.18	-	-	-	79.53
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Total	72.05	5.30	2.18	-	-	-	79.53

CHARTERED ACCOUNTANTS

As at 31 March 2023

Rs. in Lakhs

PARTICULARS	Current but not due	Outstanding for following periods from due date of receipts					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	-	10.39	-	-	-	-	10.39
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Total	-	10.39	-	-	-	-	10.39

NOTE:10 CASH AND CASH EQUIVALENTS

PARTICULARS	Rs. in Lakhs	
	31st March 2024	31st March 2023
Balance with Banks in Current Account	203.73	279.66
Cash on hand	0.08	0.10
Total	203.81	279.76

NOTE:11 OTHER FINANCIAL ASSETS (CURRENT)

PARTICULARS	Rs. in Lakhs	
	31st March 2024	31st March 2023
Bank Deposits (refer note below)	1.00	1.00
Total	1.00	1.00

Note : -

Fixed bank deposits amounting Rs 1 Lakh (31st March 2023 - Rs. 1 lakh) were of varying periods for 3 to 12 months and earns interest of 6.60% (31st March 2023 - 6.50%).

NOTE:12 OTHER CURRENT ASSETS

PARTICULARS	Rs. in Lakhs	
	31st March 2024	31st March 2023
Unsecured, Considered Good		
Balance with Government Authorities - GST credit (net)	6,866.64	4,441.71
Advances to Suppliers	213.21	95.68
Export Benefit Receivable	0.98	0.17
Prepaid Expenses	26.18	14.02
Total	7,107.01	4,551.58

Kilburn Chemicals Limited

Notes to the Financial Statements for the year ended 31st March 2024

NOTE:13 SHARE CAPITAL

AUTHORISED SHARE CAPITAL	No. of shares	Rs. in Lakhs
Equity shares of Rs. 10 each.		
As at 1st April 2022	1,60,00,000	1,600.00
Changes during the year	-	-
As at 31st March 2023	1,60,00,000	1,600.00
Changes during the year	-	-
As at 31st March 2024	1,60,00,000	1,600.00

AUTHORISED SHARE CAPITAL	No. of shares	Rs. in Lakhs
Cumulative Reedemable Preference Shares of Rs. 100 each.		
As at 1st April 2022	4,00,000	400.00
Changes during the year	-	-
As at 31st March 2023	4,00,000	400.00
Changes during the year	-	-
As at 31st March 2024	4,00,000	400.00

ISSUED, SUBSCRIBED AND FULLY PAID UP SHARE CAPITAL	No. of shares	Rs. in Lakhs
Equity shares of Rs. 10 each.	1,21,50,000	1,215.00

Reconciliation of shares outstanding at the beginning and at the end of the Year

PARTICULARS	No. of shares	Rs. in Lakhs
Issued, Subscribed and fully paid equity shares of Rs 10 each		
As at 1st April 2022	1,21,50,000	1,215.00
Changes in Equity Share Capital due to prior period errors	-	-
As at 31st March 2023	1,21,50,000	1,215.00
Changes in equity share capital during the year	-	-
As at 31st March 2024	1,21,50,000	1,215.00

Terms / Rights attached to Equity shares

The Company has only one class of Equity Shares having par value of Rs 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

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

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Kilburn Chemicals Limited

Notes to the Financial Statements for the year ended 31st March 2024

Details of Equity shares of Rs 10 each, as held by promoters

As at 31 March 2024

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Meghmani Organics Limited	1,21,49,400	-	1,21,49,400	100.00%	0.00%
Mr. Jayantibhai Patel (Nominee of Meghmani Organics Limited)	100	-	100	0.00%	0.00%
Mr. Ashish Soparkar (Nominee of Meghmani Organics Limited)	100	-	100	0.00%	0.00%
Mr. Natwarlal Patel (Nominee of Meghmani Organics Limited)	100	-	100	0.00%	0.00%
Mr. Rameshbhai Patel (Nominee of Meghmani Organics Limited)	100	-	100	0.00%	0.00%
Mr. Anandbhai Patel (Nominee of Meghmani Organics Limited)	100	-	100	0.00%	0.00%
Mr. Darshan Patel (Nominee of Meghmani Organics Limited)	100	-	100	0.00%	0.00%
Total	1,21,50,000	-	1,21,50,000		

As at 31 March 2023

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Meghmani Organics Limited	1,21,49,400	-	1,21,49,400	100.00%	0.00%
Mr. Jayantibhai Patel (Nominee of Meghmani Organics Limited)	100	-	100	0.00%	0.00%
Mr. Ashish Soparkar (Nominee of Meghmani Organics Limited)	100	-	100	0.00%	0.00%
Mr. Natwarlal Patel (Nominee of Meghmani Organics Limited)	100	-	100	0.00%	0.00%
Mr. Rameshbhai Patel (Nominee of Meghmani Organics Limited)	100	-	100	0.00%	0.00%
Mr. Anandbhai Patel (Nominee of Meghmani Organics Limited)	100	-	100	0.00%	0.00%
Mr. Darshan Patel (Nominee of Meghmani Organics Limited)	100	-	100	0.00%	0.00%
Total	1,21,50,000	-	1,21,50,000		

Kilburn Chemicals Limited

Notes to the Financial Statements for the year ended 31st March 2024

Details of Shareholder holding more than 5% Equity Shares

PARTICULARS	As at 31st March 2024		As at 31st March 2023	
	No of Shares	% of Holding	No of Shares	% of Holding
Meghmani Organics Limited (Holding Company)	1,21,49,400	**100%**	1,21,49,400	**100%**

As per records of the Company, including its register of shareholder / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

There are no shares allotted for consideration other than cash during last 5 years

NOTE:14 UNSECURED PERPETUAL SECURITIES

PARTICULARS	Rs. in Lakhs	
	31st March 2024	**31st March 2023**
Unsecured Perpetual Securities	42,384.22	24,580.00
Total	**42,384.22**	**24,580.00**

Pursuant to the approved Resolution Plan vide Order of Honourable NCLT dated 16th December 2021, Meghmani Organics Limited, being the successful Resolution Applicant has been issued Unsecured Perpetual Security bearing a coupon rate of 8% p.a. These securities rank senior only to the Share Capital of the Company and are callable at the option of the Company. The Company does not have any redemption obligation towards this security and these have been considered to be in the nature of equity.

NOTE:15 OTHER EQUITY

PARTICULARS	Rs. in Lakhs	
	31st March 2024	**31st March 2023**
(1) Securities Premium		
Balance as at the Beginning of the year	2,237.56	2,237.56
Balance as at the end of the year	**2,237.56**	**2,237.56**
(2) Capital Reserve		
Balance as at the Beginning of the year	1,801.72	1,801.72
Balance as at the end of the year	**1,801.72**	**1,801.72**
(3) General Reserve		
Balance as at the Beginning of the year	1,347.50	1,347.50
Balance as at the end of the year	**1,347.50**	**1,347.50**
(4) Retained Earnings		
Balance as at the Beginning of the year	(3,320.31)	(1,926.30)
Add - (Loss) for the year	(4,256.02)	(1,395.59)
Add : Other Comprehensive Income for the Year (Net of tax)	4.89	1.58
Balance as at the end of the year	**(7,571.44)**	**(3,320.31)**
Total	**(2,184.66)**	**2,066.47**

Nature and purpose of reserves :

Securities premium

In cases where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares has been transferred to "Securities Premium". The Company may issue fully paid-up bonus shares to its members out of the securities premium and to buy-back of shares.

Capital Reserve

The Capital Reserve has been created on (i) slump sale of chemical division of the Company in earlier years, (ii) cancellation of the Equity shares, (iii) write back of Preference Share Capital Redemption Reserve, (iv) write back of excess liabilities pursuant to resolution plan approved by NCLT. The reserves so created shall be utilised as per provisions of the Act.

General reserve

General Reserve is created out of the profits earned by the Company by way of transfer from surplus in the Statement of Profit and Loss. The Company can use this reserve for payment of dividend and issue of fully paid-up bonus shares.

Retained Earnings

Retained Earnings are the profits/(losses) that the Company has earned till date, less any transfer to General Reserve, Dividend paid to Shareholders. It also includes Re-measurement gain/(loss) on defined benefit plans that will not be Re-classified to the Statement of Profit and loss.

Kilburn Chemicals Limited

Notes to the Financial Statements for the year ended 31st March 2024

NOTE:16 BORROWINGS

PARTICULARS	Rs. in Lakhs	
	31st March 2024	31st March 2023
SECURED		
Term Loan Facilities from Banks :		
In Indian currency	19,905.64	12,778.17
Total	**19,905.64**	**12,778.17**
Current maturity of long term borrowing disclosed under 'short term borrowings' (Refer Note 19)	2,985.85	-
Total non-current borrowing	**16,919.79**	**12,778.17**
The above amounts includes:		
Secured borrowing	19,905.64	12,778.17
Unsecured borrowing	-	-

Refer Note No - 38 for Interest rate Risk and Liquidity Risk.

Details of Security and Repayment Terms :

The Company has availed Rupee Term Loan facility of Rs. 25,000.00 Lakhs of which company has drawn Rs. 19,905.64 Lakhs(31 March 2023: 12,778.17 Lakhs). The Facility is secured by (a) First charge by way of Hypothecation on the movable fixed assets of the Company (b) First charge by way of mortgage created on immovable fixed assets of the Company and (c) Corporate guarantee by Meghmani Organics Limited. The borrowing carries interest at 1 Month T-Bill +1.81% p.a. payable at monthly rest.The effective interest rate ranges from 8.42% to 8.80% (31 March 2023: 6.57% to 8.80%) during the year. Outstanding balance for this borrowing is Rs 19,905.64 Lakhs (31 March 2023: 12,778.17 Lakhs).

Repayment of Loans is as follows

1. 20 equal quarterly instalments starting from financial year 2024-25.

NOTE:17 PROVISIONS (NON - CURRENT)

PARTICULARS	Rs. in Lakhs	
	31st March 2024	31st March 2023
Gratuity (Refer Note 34)	31.61	8.54
Compensated absences	11.06	4.28
Total	42.67	12.82

NOTE:18 OTHER NON-CURRENT LIABILITIES

PARTICULARS	Rs. in Lakhs	
	31st March 2024	31st March 2023
Other Payable (refer note below)	591.53	591.53
Total	591.53	591.53

Other Payable pertains to liablity towards EPCG obligation to be fulfilled by the Company

NOTE:19 SHORT TERM BORROWINGS

PARTICULARS	Rs. in Lakhs	
	31st March 2024	31st March 2023
Secued Loan		
Current Maturities of Long-Term Debt (Refer Note 16)	2,985.85	-
Total	2,985.85	-

The Company has sanctioned limits for Cash credit, working capital demand loans and non fund based limits of Rs 7,500 Lakhs (31 March 2023: Rs 7,500 lakhs) as sanctioned limit in Indian Currency. These loans are secured by first charge by way of hypothecation of the entire Current Assets of the Company and Corporate Guarantee given by Meghmani Organics Limited. During the year company has not utilised fund based limits.

NOTE:20 TRADE PAYABLES

PARTICULARS	Rs. in Lakhs	
	31st March 2024	31st March 2023
Outstanding Dues of Micro and Small Enterprises (Refer Note 33)	465.77	171.37
Outstanding Dues of Creditors other than Micro and Small Enterprises (Refer Note below)	907.08	512.11
Total	1,372.85	683.48

S R B C & CO LLP CHARTERED ACCOUNTANTS

Kilburn Chemicals Limited

Notes to the Financial Statements for the year ended 31st March 2024

Terms and Conditions of the above Outstanding Dues :

Trade payables are non-interest bearing and are normally settled on 30-360 days terms. For amounts due to related parties and terms and conditions with Related Parties, Refer Note 37. Refer Note 38 for Company's credit risk management processes.

Trade payables Ageing Schedule

As at 31 March 2024

Rs. in Lakhs

PARTICULARS	Outstanding for following periods from due date of payment						
	Unbilled Dues	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	252.69	99.51	113.57	-	-	-	465.77
Total outstanding dues of creditors other than micro enterprises and small enterprises	262.49	311.47	333.12	-	-	-	907.08
Total	515.18	410.98	446.69	-	-	-	1,372.85

There are no disputed dues of above categories of trade payable and hence requisite amounts are Nil (31st March 2023: Nil)

As at 31 March 2023

Rs. in Lakhs

PARTICULARS	Outstanding for following periods from due date of payment						
	Unbilled Dues	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	121.21	50.16	-	-	-	171.37
Total outstanding dues of creditors other than micro enterprises and small enterprises	60.55	270.11	179.57	1.88	-	-	512.11
Total	60.55	391.32	229.73	1.88	-	-	683.48

There are no disputed dues of above categories of trade payable and hence requisite amounts are Nil (31st March 2022: Nil)

Kilburn Chemicals Limited

Notes to the Financial Statements for the year ended 31st March 2024

NOTE:21 OTHER FINANCIAL LIABILITIES (CURRENT)

PARTICULARS	Rs. in Lakhs	
	31st March 2024	31st March 2023
Financial liabilities carried at amortised cost		
Interest Accrued but not due on Borrowings	138.15	91.60
Other Payable (refer note below)	-	1,375.10
Employee Benefit Payable	148.01	101.71
Payable for Retention Money	-	554.85
Security Deposit Received From Vendor	1,122.77	-
Payables for Capital Goods	897.23	2,285.13
Total	**2,106.16**	**4,408.39**

Other Payable pertains to amount payable to Gujarat Industrial Devlopment Corporation (GIDC) in respect to transfer of land and other charges. The same has been paid during the year (Refer note 29)

NOTE:22 OTHER CURRENT LIABILITIES

PARTICULARS	Rs. in Lakhs	
	31st March 2024	31st March 2023
Statutory Dues Payable	55.38	31.64
Total	**55.38**	**31.64**

NOTE:23 PROVISIONS (CURRENT)

PARTICULARS	Rs. in Lakhs	
	31st March 2024	31st March 2023
Provisions for Employee Benefits		
Gratuity	-	0.02
Leave Encashment	1.23	0.49
Total	1.23	0.51

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Kilburn Chemicals Limited

Notes to the Financial Statements for the year ended 31st March 2024

NOTE:24 REVENUE FROM OPERATIONS

PARTICULARS	Rs. in Lakhs	
	For the year ended 31st March 2024	For the year ended 31st March 2023
Revenue From Operations		
i- Manufacturing Goods	-	-
ii- Trading Goods	-	-
Total Revenue From Operations	-	-
Other Operating Revenue		
i- Export benefits and other incentives	-	-
ii- Scrap Sales	109.74	-
Total Other Operating Revenue	**109.74**	-
Total	**109.74**	-

NOTE:25 OTHER INCOME

PARTICULARS	Rs. in Lakhs	
	For the year ended 31st March 2024	For the year ended 31st March 2023
Interest Income on		
- Bank Deposits	0.10	0.03
- Others	1.55	12.51
Exchange Rate Difference	37.96	-
Provisions written back	1.50	-
Income on sharing of ETP line	45.12	-
Profit On Sale Of Property, Plant and Equipment	0.92	2.18
Other Non Operating Income	13.53	6.58
Total	**100.68**	**21.30**

NOTE:26 EMPLOYEE BENEFIT EXPENSE

PARTICULARS	Rs. in Lakhs	
	For the year ended 31st March 2024	For the year ended 31st March 2023
Salary, Wages and Bonus	1,042.96	546.08
Contribution to Provident Fund, Other Funds and Gratuity (Refer Note 34)	66.61	27.82
Staff Welfare Expenses	142.52	97.22
Total	**1,252.09**	**671.12**

NOTE:27 FINANCE COSTS

PARTICULARS	Rs. in Lakhs	
	For the year ended 31st March 2024	For the year ended 31st March 2023
Interest expense on :		
-Others	168.15	84.80
Other borrowing Costs (includes bank charges, etc.)	350.18	21.58
Total	**518.33**	**106.38**

S R B C & CO LLP CHARTERED ACCOUNTANTS

Kilburn Chemicals Limited

Notes to the Financial Statements for the year ended 31st March 2024

NOTE:28 OTHER EXPENSES

PARTICULARS	Rs. in Lakhs	
	For the year ended 31st March 2024	For the year ended 31st March 2023
Consumption of Stores and Spares	303.61	208.67
Power & Fuel	2.80	102.90
Repairs and maintenance:		
- Buildings	26.42	0.88
- Plant and Machinery	196.86	370.00
Pollution Control Expenses	-	11.18
Labour Contract Charges	527.92	240.65
Rent	1.98	10.38
Rates & Taxes	-	34.74
Insurance	70.50	33.58
Consumption of Packing Materials	0.62	-
Legal & Professional Charges	66.50	36.63
Printing and Stationery	4.32	3.39
Security Service Charges	65.74	57.99
Transportation Expenses	20.92	12.27
Miscellaneous Expenses	153.04	147.56
Audit Fees (refer details below)	9.47	9.00
Total	1,450.70	1,279.80

Payments to Auditors (Excluding taxes)	Rs. in Lakhs	
	For the year ended 31st March 2024	For the year ended 31st March 2023
(a) as Auditors	9.00	9.00
(b) for Reimbursement of Expenses	0.47	-
TOTAL	9.47	9.00

NOTE:29 EXCEPTIONAL ITEMS

PARTICULARS	Rs. in Lakhs	
	For the year ended 31st March 2024	For the year ended 31st March 2023
Exceptional (Gain)	-	-1,881.99
Total	-	-1,881.99

Pursuant to final order received by the Company towards dues to industrial authority, excess amount reversed amounting to Rs. 1,881.99 lakhs in previous year has been disclosed under exceptional item, considering its disclosure while booking the expenses by erstwhile management.

S R B C & CO LLP CHARTERED ACCOUNTANTS

Kilburn Chemicals Limited
Notes to the Financial Statements for the year ended 31st March 2024

NOTE:31 OTHER COMPREHENSIVE INCOME

PARTICULARS	Rs. in Lakhs	
	For the year ended 31st March 2024	For the year ended 31st March 2023
Statement of other comprehensive income		
Remeasurement gain on defined benefit plans	4.89	1.58
Income tax effect on above	-	-
Total	4.89	1.58

NOTE:32 EARNINGS PER SHARE
Basic and Diluted EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity shareholders by the weighted average number of Equity shares outstanding during the year.

The following reflects the income and share used in the basic and diluted EPS computation:

PARTICULARS	Rs. in Lakhs	
	For the year ended 31st March 2024	For the year ended 31st March 2023
(Loss) attributable to Equity Shareholders	(4,258.02)	(1,395.59)
Weighted Average number of Equity Shares outstanding (Nos)	1,21,50,000	1,21,50,000
Basic and Diluted Earnings Per Share (Rs.)	(35.03)	(11.49)
Face value per Equity Share (Rs.)	10	10

33. 'The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the MSMED Act').

Accordingly, the disclosure in respect of the amounts payable to such Enterprises as at March 31, 2024 has been made in the Financial Statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any Supplier as at the Balance- Sheet date.

The details as required by MSMED Act are given below:

PARTICULARS	Rs. in Lakhs	
	For the year ended 31st March 2024	For the year ended 31st March 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year;		
Principal and Interest Amount		
Trade Payable	465.77	171.37
Capital Payable	335.09	1,333.80
The amount of interest paid by the buyer under the MSMED Act along with the amounts of the payment made to the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the year (where the principal has been paid but interest under the MSMED Act not paid)	168.10	84.58
The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-
The amount of further interest due and payable even in the succeeding period, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-

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Kilburn Chemicals Limited
Notes to the Financial Statements for the year ended 31st March 2024

On basis of information and records available with the Company, the above disclosures are made in respect of amount due to the micro, small and medium enterprises, which have been registered with the relevant competent authorities. This has been relied upon by the auditors.

NOTE:34 GRATUITY AND OTHER POST EMPOYMENT BENEFIT PLANS

(a) Retirement Benefits

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summaries the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Table 1: Reconciliation of Defined Benefit Obligation (DBO) (Rs. In Lakhs)

Particulars	31st March 2024	31st March 2023
Opening balance of defined benefit obligation	8.56	2.60
Service Cost		
a. Current Service Cost	16.52	7.37
b. Past Service Cost	-	-
c. Loss/(Gain) from Settlement	-	-
Interest Cost	2.62	0.17
Benefits Paid	-	-
Re-measurements		
a. Actuarial Loss/(Gain) from changes in demographic assumptions	-	-
b. Actuarial Loss/(Gain) from changes in financial assumptions	0.82	-
c. Actuarial Loss/(Gain) from experience over the past period	(5.68)	(1.58)
Effect of acquisition/ (divestiture)	-	-
Transfer in/ (out)	27.78	-
Changes in foreign exchange rates	-	-
Closing balance of the defined benefit obligation	50.62	8.56

Table 2: Reconciliation of Fair Value of Plan Assets (Rs. In Lakhs)

Particulars	31st March 2024	31st March 2023
Opening Balance of Fair Value of Plan Assets	-	
Contributions by Employer	18.40	-
Benefits Paid	-	-
Interest Income on Plan Assets	0.57	-
Re-measurements	-	-
a. Actuarial (Loss)/Gain from changes in financial assumptions	-	-
b. Return on plan assets excluding amount included in net interest on the net defined benefit liability/(asset)	0.04	-
c. Changes in the effect of limiting a net defined benefit asset to the asset ceiling	-	-
Effect of acquisition/ (divestiture)	-	-
Transfer in/ (out)	-	-
Changes in foreign exchange rates	-	-
Closing Balance of Fair Value of Plan Assets	19.01	-
Actual Return on Plan Assets	*0.61*	-
Expected Employer Contributions for the coming period	*20.00*	

Kilburn Chemicals Limited

Notes to the Financial Statements for the year ended 31st March 2024

(Rs. In Lakhs)

Table 3: Expenses recognised in the Profit and Loss Account

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Service Cost	16.52	7.37
a. Current Service Cost	-	-
b. Past Service Cost	-	-
c. Loss/(Gain) from Settlement	2.05	0.17
Net Interest on net defined benefit liability/ (asset)	18.57	7.54
Employer Expenses		

(Rs. In Lakhs)

Table 4: Net Liability/ (Asset) recognised in the Balance Sheet

	31st March 2024	31st March 2023
Particulars	50.62	8.56
Present Value of DBO	19.01	-
Fair Value of Plan Assets	31.61	8.56
Liability/ (Asset) recognised in the Balance Sheet	(31.61)	(8.56)
Funded Status [Surplus/(Deficit)]	-	0.02
Of Which, Short term Liability	(5.68)	(1.58)
Experience Adjustment on Plan Liabilities: (Gain)/Loss		

Table 5: Percentage Break-down of Total Plan Assets

	31st March 2024	31st March 2023
Particulars	0%	0%
Equity instruments	0%	0%
Debt instruments	0%	0%
Real estate	0%	0%
Derivatives	100%	0%
Investment Funds with Insurance Company	0%	0%
Of which, Unit Linked	100%	0%
Of which, Traditional/ Non-Unit Linked	0%	0%
Asset-backed securities	0%	0%
Structured debt	0%	0%
Cash and cash equivalents	**100%**	**0%**
Total		

Table 6: Actuarial Assumptions

	31st March 2024	31st March 2023
Particulars	10% p.a.	10% p.a.
Salary Growth Rate	7% p.a.	7.2% p.a.
Discount Rate	7.2% p.a.	6.5% p.a.
Interest Rate for interest on net DBO	12% p.a.	12% p.a.
Withdrawal Rate	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)
Mortality Rate	6 years	6 years
Weighted average remaining duration of the obligation		

(Rs. In Lakhs)

Table 7: Movement in Other Comprehensive Income

	31st March 2024	31st March 2023
Particulars	**1.58**	-
Opening Balance (Loss)		
Re-measurements on DBO	-	-
a. Actuarial (Loss)/Gain from changes in demographic assumptions	(0.82)	-
b. Actuarial (Loss)/Gain from changes in financial assumptions	5.68	1.58
c. Actuarial (Loss)/Gain from experience over the past period		
Re-measurements on Plan Assets	-	-
a. Actuarial (Loss)/Gain from changes in financial assumptions	0.04	-
a. Return on Plan assets, excluding amount included in net interest on the net defined	-	-
c. Changes in the effect of limiting a net defined benefit asset to the asset ceiling	**6.48**	**1.58**
Closing Balance (Loss)		

Kilburn Chemicals Limited

Notes to the Financial Statements for the year ended 31st March 2024

Table 8: Sensitivity Analysis

For the year ended 31st March 2024	Increases 1%	Decreases 1%
Salary Growth Rate	DBO increases by 4.30 lakhs	DBO decreases by 3.84 lakhs
Discount Rate	DBO decreases by 3.91 lakhs	DBO increases by 4.48 lakhs
Withdrawal Rate	DBO decreases by 1.29 lakhs	DBO increases by 1.40 lakhs

Mortality (increase in expected lifetime by 1 year)	DBO increases by 0.01 lakhs
Mortality (increase in expected lifetime by 3 years)	DBO increases by 0.03 lakhs

For the year ended 31st March 2023	Increases 1%	Decreases 1%
Salary Growth Rate	DBO increases by 0.92 lakhs	DBO decreases by 0.81 lakhs
Discount Rate	DBO decreases by 0.83 lakhs	DBO increases by 0.95 lakhs
Withdrawal Rate	DBO decreases by 0.44 lakhs	DBO increases by 0.48 lakhs

Mortality (increase in expected lifetime by 1 year)	Negligible Change
Mortality (increase in expected lifetime by 3 years)	DBO increases by 0.01 lakhs

Note: The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant.There are no changes from the previous period to the methods and assumptions underlying the sensitivity analysis.

(Rs. in Lakhs)

Table 9: Movement in Surplus/ (Deficit)

Particulars	**For the year ended 31st March 2024**	**For the year ended 31st March 2023**
Surplus/ (Deficit) at start of year	(8.56)	(2.80)
Net transfer (in)/ out	(27.78)	
Movement during the year		
Current Service Cost	(16.52)	(7.37)
Past Service Cost	-	-
Net Interest on net DBO	(2.05)	(0.17)
Actuarial gain/ (loss)	4.89	1.58
Contributions	18.40	-
Surplus/ (Deficit) at end of year	(31.61)	(8.56)

(b) Defined Contribution Plans

i) The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of payroll costs to fund the benefits. The Company has recognised provident fund contribution of Rs 36.13 Lakhs (March 31, 2023 Rs 20.25 Lakhs) and contribution to Other Labour Fund amounting to Rs 11.91 Lakhs (March 31, 2023 Rs 0.02 Lakhs) as expense, Refer Note 26 under the head 'Contributions to Provident and Other Funds'.

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Kilburn Chemicals Limited

Notes to the Financial Statements for the year ended 31st March 2024

B. Measurement of Fair values and Sensitivity analysis

Fair value hierarchy:

The fair value of the Financial Assets and Liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

(i) Level 1: quoted prices (unadjusted) in active markets for identical Assets or Liabilities.

(ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the Asset or Liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

(iii) Level 3: inputs for the Asset or Liability that are not based on observable market data (unobservable inputs).

Receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The cost of unquoted investments included in Level 3 of fair value hierarchy approximate their fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range

Financial instrument measured at fair value (Rs. in Lakhs)

Financial assets / financial liabilities	Fair value as at		Fair value hierarchy
	31st March 2024	31st March 2023	
Investment at FVTOCI (unquoted) (Refer Note 4)	0.95	0.95	Level 3

Financial instrument measured at amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Reconciliation of level 1 Fair Values

There have been no transfers between level 1, level 2 and level 3 during the year ended March 31, 2024.

Financial Risk Management Framework

The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages market risk through treasury operations, which evaluates and exercises independent control over the entire process of market risk management. The finance team recommends risk management objectives and policies. The activities of this operations include management of cash resources, hedging of foreign currency exposure, credit control and ensuring compliance with market risk limits and policies.

The Company's principal Financial Liabilities, other than Derivatives, comprises of Long Term and Short Term Borrowings, Trade and Other Payables, and Financial Liabilities. The main purpose of these Financial Liabilities is to finance the Company's operations. The Company's principal Financial Assets include Loans, Trade and Other Receivables, Cash and Cash Equivalents, Other Bank Balances and other Financial Assets that derive directly from its operations.

The Company has an effective risk management framework to monitor the risks controls in key business processes. In order to minimise any adverse effects on the bottom line, the Company takes various mitigation measures such as credit control, foreign exchange forward contracts to hedge foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The Company has exposure to the following risks arising from financial instruments

- Credit risk ;
- Market risk ; and
- Liquidity risk

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Kilburn Chemicals Limited

Notes to the Financial Statements for the year ended 31st March 2024

i. Credit Risk

Credit risk is the risk that counter party will not meet its obligation leading to a financial loss. The Company is exposed to credit risk arising from its operating activities primarily from trade receivables and from financing activities primarily relating to parking of surplus funds as Deposits with Banks. The Company considers probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis throughout the reporting period.

The carrying amount of following Financial Assets represents the maximum credit exposure:

Financial instruments and cash deposit

Credit risk from balances with Banks is managed by the Company's treasury department. Investments of surplus funds are made only with approved counter parties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Trade Receivables

Trade Receivables of the Company are typically unsecured. Credit risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which Company grants credit terms in the normal course of business. The Company performs ongoing credit evaluations of its customers' financial condition and monitors the creditworthiness of its Customers to which it grants credit terms in the normal course of business. The allowance for impairment of Trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts Receivables. The Company evaluates the concentration of risk with respect to trade receivables as low, as its Customers are located in several jurisdictions and industries and operate in largely independent markets.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

The maximum exposure to Credit Risk for Trade Receivables by geographic region are as follows:

(Rs. in Lakhs)

Particulars	31st March 2024	31st March 2023
Domestic	79.53	10.39
Other Regions	-	-
Total	**79.53**	**10.39**

Age of Receivables

(Rs. in Lakhs)

Particulars	31st March 2024	31st March 2023
Neither due nor impaired	72.06	-
Past due 1–90 days	4.18	7.97
Past due 91–180 days	1.12	2.42
More than 180 days	2.18	-
Total	**79.53**	**10.39**

Management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer Credit Risk, including underlying customers' credit ratings if they are available.

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Kilburn Chemicals Limited
Notes to the Financial Statements for the year ended 31st March 2024

Financial instruments – Fair Values and Risk Management (continued)

ii. Market Risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI and amortised cost investments.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

Exposure to Currency Risk

The currency profile of financial assets and financial liabilities as at March 31, 2024 and March 31, 2023 are as below:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in Rs. are as follows

(Rs. in Lakhs)

Particulars	31st March 2024 Total	USD Denominated exposure	INR
Financial Assets			
Non-Current Investments	0.95	-	0.95
Other Non-Current Financial Assets	212.68	-	212.68
Trade Receivables	79.53	-	79.53
Cash and Cash Equivalents	203.81	-	203.81
Other Current Financial Asset	1.00	-	1.00
Total	**497.97**	-	**497.97**
Financial Liabilities			
Non-Current Borrowings	16,919.79		16,919.79
Current Borrowings	2,985.85		2,985.85
Trade Payables	1,372.85	-	1,372.85
Other Current Financial Liabilities	2,106.16	3.41	2,102.75
Total	**23,384.65**	**3.41**	**23,381.24**

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Kilburn Chemicals Limited

Notes to the Financial Statements for the year ended 31st March 2024

(Rs. in Lakhs)

Particulars	31st March 2023 Total	USD Denominated exposure	INR
Financial Assets			
Non-Current Investments	0.95	-	0.95
Other Non-Current Financial Assets	464.92	-	464.92
Current Assets			
Trade Receivables	10.39	-	10.39
Cash and Cash Equivalents	279.76	-	279.76
Other Current Financial Asset	1.00	-	1.00
Total	**757.02**	-	**757.02**
Financial Liabilities			
Non-Current Borrowings	12,778.17	-	12,778.17
Trade Payables	683.48	-	683.48
Other Current Financial Liabilities	4,408.39	99.03	4,309.36
Total	**17,870.04**	**99.03**	**17,771.01**

Unhedged Foreign Currency exposure as at reporting period

Particulars	31st March 2024	31st March 2023
Other Current Financial Liabilities	3.41	99.03
Total	**3.41**	**99.03**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(Rs. in Lakhs)

	Profit or (Loss)		Equity, net of tax	
Effect in INR	Strengthening	Weakening	Strengthening	Weakening
31st March 2024				
5% movement				
USD	0.17	(0.17)	0.13	(0.13)

	Profit or (Loss)		Equity, net of tax	
Effect in INR	Strengthening	Weakening	Strengthening	Weakening
31st March 2023				
5% movement				
USD	4.95	(4.95)	3.71	(3.71)

There are no Forward Contracts outstanding as at 31 March 2024 (31 March 2023: Nil)

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Kilburn Chemicals Limited
Notes to the Financial Statements for the year ended 31st March 2024

Financial instruments – Fair values and Risk Management (continued)

iii. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to Liquidity Risk

The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities. The table below summarises the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(Rs. In Lakhs)

		Contractual cash flows				
31st March 2024	Carrying amount	Total	1 Year or Less	1-2 years	2-5 years	More than 5 years
Rupee Term Loans from Banks						
HDFC Bank Limited	19,905.64	19,905.64	2,985.85	3,981.13	11,943.38	995.28
Total	**19,905.64**	**19,905.64**	**2,985.85**	**3,981.13**	**11,943.38**	**995.28**
Trade Payables (Refer Note 20)	1,372.85	1,372.85	1,372.85	-	-	-

(Rs. In Lakhs)

		Contractual cash flows				
31st March 2023	Carrying amount	Total	1 Year or Less	1-2 years	2-5 years	More than 5 years
Rupee Term Loans from Banks						
HDFC Bank Limited	12,778.17	12,778.17	-	1,916.72	7,666.90	3,194.54
Total	**12,778.17**	**12,778.17**	-	**1,916.72**	**7,666.90**	**3,194.54**
Trade Payables (Refer Note 20)	683.48	683.48	683.48	-	-	-

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry

In order to avoid excessive concentrations of risk, the policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the company to manage risk concentrations at both the relationship and industry levels

S R B C & CO LLP CHARTERED ACCOUNTANTS

Kilburn Chemicals Limited

Notes to the Financial Statements for the year ended 31st March 2024

Financial Instruments – Fair Values and Risk Management (continued)

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a Financial Instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's Long-term and Short term Debt Obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Exposure to Interest Rate Risk

Company's Interest Rate Risk arises from Borrowings Obligations. Borrowings issued exposes to fair value interest rate risk. The interest rate profile of the Company's interest-bearing Financial Instruments as reported to the management of the Company is as follows.

(Rs. In Lakhs)

Variable-rate instruments	31st March 2024	31st March 2023
Non Current - Borrowings	16,919.79	12,778.17
Current portion of Long Term Borrowings	2,985.85	-
Total	**19,905.64**	**12,778.17**

Cash Flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased /(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(Rs. In Lakhs)

Particulars	Profit or (Loss)		Equity, Net of Tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31st March 2024				
Non Current - Borrowings	(169.20)	169.20	(126.61)	126.61
Current portion of Long Term Borrowings	(29.86)	29.86	(22.34)	22.34
Total	**(199.06)**	**199.06**	**(148.96)**	**148.96**
31st March 2023				
Non Current - Borrowings	(127.78)	127.78	(95.62)	95.62
Total	**(127.78)**	**127.78**	**(95.62)**	**95.62**

S R B C & CO LLP CHARTERED ACCOUNTANTS

Kilburn Chemicals Limited

Notes to the Financial Statements for the year ended 31st March 2024

NOTE:39 LEASES

(A) Leases as lessee

(i) The carrying value of the Rights-of-use and depreciation charged during the year : (Rs. in Lakhs)

Particulars	31st March 2024	31st March 2023
Opening Balance	2,515.94	2,544.85
Additions during the year	-	-
Depreciation charged during the year	28.92	28.91
Closing Balance	**2,487.02**	**2,515.94**

(ii) Amount Recognised in Statement of Profit & Loss Account during the Year (Rs. in Lakhs)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Depreciation expense of right-of-use assets	28.92	28.91
Total Expenses	**28.92**	**28.91**

(iii) Amounts recognised in statement of cash flows (Rs. in Lakhs)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Total Cash outflow for Leases	-	-

Kilburn Chemicals Limited

Notes to the Financial Statements for the year ended 31st March 2024

NOTE:40 RATIOS

Ratio	Numerator	Denominator	31st March 2024	31st March 2023	% change	Reason for variance above 25% year on year
Current Ratio	Current Assets	Current Liabilities	1.59	1.20	32.77%	Increase in Current ratio is on account of increase in inventory and other current asset
Debt-Equity Ratio	Current Borrowings + Non Current Borrowings + Lease Payments	Shareholder's Equity	0.48	0.46	4.80%	No major variance
Debt Service Coverage Ratio#	Earnings for debt service = Net profit after taxes + Non-cash operating expenses + Interest & Lease payment + Other adjustment like loss on sale of Assets	Debt service = Interest & Lease Payments + Principal Repayments	NA	NA	NA	NA
Return on Equity Ratio #	Net Profits after taxes	Average Shareholder's Equity	NA	NA	NA	NA
Inventory Turnover Ratio #	Revenue from Operation	Average Inventory	NA	NA	NA	NA
Trade Receivables Turnover Ratio #	Revenue from Operation	Average Trade Receivable	NA	NA	NA	NA
Trade Payables Turnover Ratio	Total Purchases	Average Trade Payables	2.27	2.94	-22.72%	No major variance
Net Capital Turnover Ratio #	Revenue from Operation	Working capital = Current assets – Current liabilities	NA	NA	NA	NA
Net Profit Ratio #	Net Profit	Revenue from Operation	NA	NA	NA	NA
Return on Capital Employed #	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Lease Liability + Deferred Tax Liability	NA	NA	NA	NA
Return on Investment #	Interest (Finance Income)	Average of Investment in Subsidiary & Bank Deposit	NA	NA	NA	NA

The Company is in process of stabilizing the plant and commencing commercial production in its manufacturing facility and currently does not have any material revenue and operations, considering which these ratios cannot be calculated effectively.

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Kilburn Chemicals Limited

Notes to the Financial Statements for the year ended 31st March 2024

NOTE:41 CAPITAL MANAGEMENT

Capital includes equity attributable to the equity holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended March 31, 2024 and March 31, 2023.

The Company monitors capital using a ratio of 'Adjusted Net Debt' to 'Adjusted Equity'. For this purpose, adjusted net debt is defined as total Liabilities, comprising Interest-bearing Loans and Borrowings and obligations under Finance Leases, less Cash and Cash Equivalents. Adjusted Equity Comprises all components of Equity.

Particulars	(Rs. In Lakhs)	
	31st March 2024	31st March 2023
Total Interest bearing liabilities	19,905.64	12,778.17
Less : Cash and cash equivalent	203.81	279.76
Adjusted net debt	**19,701.83**	**12,498.41**
Total equity	**41,414.56**	**27,861.47**
Adjusted net debt to total equity ratio	**0.48**	**0.45**

NOTE:42 OTHER DISCLOSURES

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) The Company do not have any transactions with companies struck off. under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

(iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

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

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Company have 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 Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(viii) The Company uses an accounting software for maintaining its books of account 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 accounting software, except that audit trail feature is not enabled for certain changes made using with the privileged access rights to the SAP application and the underlying HANA database. Further, no instance of audit trail feature being tampered with was noted in respect of the accounting software. Presently, the log has been activated at the application and the privileged access to HANA database continues to be restricted to limited set of users who necessarily require this access for maintenance and administration of the database.

S.R. ... LLP CHARTERED ACCOUNTANTS

Kilburn Chemicals Limited

Notes to the Financial Statements for the year ended 31st March 2024

NOTE:43 EVENTS OCCURRED AFTER THE BALANCE SHEET DATE

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of financial statement to determine the necessity for recognition and/or reporting of any of these eventsand transactions in the financial statements. As of 10th May 2024 there were no material subsequent events to be recognized or reported that are not already disclosed.

NOTE:44 - Previous period figures have been regrouped / reclassified wherever necessary to make them comparable with those of the current year.

AS PER OUR REPORT OF EVEN DATE		For And on Behalf of The Board of Directors of Kilburn Chemicals Limited (CIN-U24117GJ1990PLC135801)
FOR S R B C & CO LLP Chartered Accountants ICAI Firm Regn. No. 324982E / E300003		Ankit Patel-Executive Chairman (DIN - 02180007)
per Sukrut Mehta Partner Membership No : 101974		Darshan Patel- Managing Director (DIN - 02047676)
	G S Chahal Chief Financial Officer	
Place : Ahmedabad Date : 11th May 2024	Jayesh R Patel Company Secretary	Place : Ahmedabad Date : 11th May 2024