Singhi & Co.
Chartered Accountants

REVIEW-REPORT

To,
The Board of Directors,
Kanoria Chemicals & Industries Ltd.
Park Plaza, 7th Floor,
71, Park Street,
Kolkata-700 016

We have reviewed the accompanying statement of unaudited financial results of M/s. **Kanoria Chemicals & Industries Limited** ("the Company") for the quarter and half year ended 30th September 2013 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This financial statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity," issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of un-audited financial results prepared in accordance with applicable Accounting Standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material mis-statement.

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

(Anurag Singhi)
Partner
Membership No.66274

1B, Old Post Office Street,
Kolkata – 700001
Dated, the 6th day of November, 2013

KANORIA CHEMICALS & INDUSTRIES LIMITED
"Park Plaza", 71, Park Street, Kolkata-700 016
Website : www.kanoriachem.com

PART I - STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2013

(₹ in lakh)

Particulars	Quarter ended (unaudited)			Half-year ended (unaudited)		Year ended (Audited)
	30.09.2013	30.06.2013	30.09.2012	30.09.2013	30.09.2012	31.03.2013
1. Income from operations						
a) Net Sales from operations (Net of excise duty)	7,702	7,122	6,191	14,824	12,032	23,710
b) Other operating Income	230	340	126	570	173	545
Total Income from operations (net)	7,932	7,462	6,317	15,394	12,205	24,255
2. Income from investments (refer note 2)	2,165	674	499	2,843	1,406	2,359
3. Net sales/Income from Operations and Investments	10,101	8,136	6,816	18,237	13,611	26,614
4. Expenses						
a) Cost of materials consumed	5,317	4,941	3,816	9,958	7,635	16,287
b) Purchases of Stock-in-trade	314	38	-	352	-	-
c) Changes in inventories of finished goods, work-in-progress and Stock-in-trade	260	(72)	447	179	280	(21)
d) Employee benefits expense	398	422	302	820	611	1,391
e) Power & Fuel	990	883	737	1,872	1,481	2,870
f) Depreciation & Amortisation	394	381	317	768	590	1,314
g) Other Expenses	1,223	1,676	698	2,799	1,725	3,207
Total Expenses	8,276	7,969	6,371	16,244	12,722	25,226
5. Profit/(Loss) from operations & Investments before other Income, Finance costs and Exceptional Items	1,825	167	445	1,993	889	1,387
6. Other Income	25	28	(54)	53	30	57
7. Profit/(Loss) from ordinary activities before Finance Costs and Exceptional Items	1,851	795	411	2,046	919	1,444
8. Finance Costs	463	462	131	925	334	689
9. Profit/(Loss) from Ordinary Activities after Finance Costs but before Exceptional Items & Tax	1,388	(267)	280	1,121	585	755
10. Exceptional Item	-	-	-	-	-	-
11. Profit/(Loss) from Ordinary Activities before Tax	1,388	(267)	280	1,121	585	755
12. Tax Expenses	232	-	49	232	97	278
13. Profit/(Loss) from Ordinary Activities after tax	1,156	(267)	231	889	488	477
14. Extraordinary Items (net of tax expense)	-	-	-	-	-	-
15. Net Profit/(Loss) for the period	1,156	(267)	231	889	488	477
16. Paid-up Equity Share Capital (₹ 2/- per Share)	2,195	2,195	2,805	2,195	2,805	2,195
17. Reserves (excluding Revaluation Reserve)						44,077
18. Earning per Share (₹) - Basic & Diluted	2.04	(0.61)	0.41	2.03	0.87	0.89

PART II-SELECT INFORMATION FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2013

A) PARTICULARS OF SHAREHOLDING						
1. Public Shareholding						
Number of Shares	11430309	11575102	23879351	11430309	23879351	11575102
Percentage of Shareholding	26.16%	26.49%	42.75%	26.16%	42.75%	26.49%
2. Promoters and Promoter Group Shareholding						
a) Pledged/Encumbered						
Number of Shares	Nil	Nil	Nil	Nil	Nil	Nil
Percentage of Shares (as a % of the total Shareholding of promoters & promoter group)	Nil	Nil	Nil	Nil	Nil	Nil
Percentage of Shares (as a % of the total Share Capital of the Company)	Nil	Nil	Nil	Nil	Nil	Nil
b) Non-encumbered						
Number of Shares	32282524	32118731	32118231	32282524	32118231	32118231
Percentage of Shares (as a % of the total Shareholding of promoters and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Percentage of Shares (as a % of the total Share Capital of the Company)	73.84%	73.51%	57.25%	73.84%	57.25%	73.51%

B) INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	NIL
Received during the quarter	1
Disposed of during the quarter	1
Remaining unresolved at the end of the quarter	NIL

SEGMENT WISE REVENUE, RESULTS & CAPITAL EMPLOYED

Particulars	Quarter ended (Unaudited)			Half year ended (unaudited)		Year ended (Audited)
	30.09.2013	30.06.2013	30.09.2012	30.09.2013	30.09.2012	31.03.2013
1. Segment Revenue (net of excise)						
Alco Chemicals	7,643	7,170	6,211	14,813	12,097	23,801
Solar Power	288	292	106	581	108	454
Net Sales	7,932	7,462	6,317	15,394	12,205	24,256
2. Segment Results						
(Profit before Tax and Finance Costs)						
Alco Chemicals	(127)	(133)	147	(260)	310	341
Solar Power	47	(107)	(1)	(60)	86	125
Total	(80)	(260)	146	(340)	396	466
Less :						
i) Finance Costs	463	462	431	925	834	888
ii) Other un-allocable expenditure net off un-allocable income	(1,931)	(455)	(285)	(2,386)	(523)	(978)
Profit/(Loss) before Tax	1,388	(267)	290	1,121	585	755
3. Capital Employed						
Alco Chemicals	23,589	23,405	22,011	23,589	22,011	22,669
Solar Power	8,647	8,508	8,191	8,647	8,191	8,396
Un-allocated	34,358	33,691	38,730	34,358	38,730	33,521
Total	64,594	63,608	67,932	64,594	67,932	62,586

STATEMENT OF ASSETS AND LIABILITIES

Particulars	As at 30.09.2013 Unaudited	As at 31.03.2013 Audited
A) EQUITY AND LIABILITIES		
1. Shareholders' Fund		
(a) Capital	2,185	2,185
(b) Reserves & Surplus	44,966	44,677
	47,151	46,862
2. Non current liabilities		
(a) Long Term borrowing	8,325	8,469
(b) Deferred Tax liabilities (Net)	1,073	1,074
(c) Other long term liabilities	18	15
(d) Long Term provisions	432	393
	9,848	9,751
3. Current liabilities		
(a) Short term borrowings	7,127	6,041
(b) Trade payables	2,400	2,010
(c) Other current liabilities	2,997	2,690
(d) Short term provisions	25	807
	12,629	11,548
Total Equity and Liabilities	69,428	68,561
B) ASSETS		
1. Non current assets		
(a) Fixed assets	24,230	24,549
(b) Non current investments	21,842	26,480
(c) Long term loans and advances	1,313	1,304
	47,385	52,333
2. Current Assets		
(a) Current investments	7,718	2,864
(b) Inventories	3,742	2,993
(c) Trade receivables	4,525	3,887
(d) Cash and cash equivalents	543	1,117
(e) Short term Loans & Advances	3,370	3,166
(f) Other current assets	1,045	685
	21,041	14,228
Total Assets	68,426	66,561

Notes :

1 The above results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its Meeting held on 6th November, 2013. The above results have been reviewed by the Statutory Auditors of the Company as per clause 41 of the listing agreement.

2 Income from investments represent the income earned on the temporary investments made out of proceeds from sale of Chloro Chemicals Division. These temporary investments have been made due to surplus funds available in the interim and shall be deployed in businesses in due course.

3 The Company has incurred a foreign currency exchange fluctuation loss of ₹ 2171 lakhs during the half year ended 30th September, 2013 on payment/restatement of foreign currency monetary items and has charged the entire amount to statement of profit & loss (₹ 1429 lakhs under the head Other Expenses and ₹ 742 lakhs under the head Finance Costs) as per the policy of the company. This includes an amount of ₹ 1467 lakhs which is yet to be crystallised.

4 Previous year figures have been regrouped/rearranged, wherever necessary

Place : New Delhi
Date : 6th November, 2013

R.V. Kanoria
Chairman & Managing Director