

Singhi & Co.

Chartered Accountants

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REVIEW-REPORT

To,
**The Board of Directors,
Kanoria Chemical & Industries Ltd
Park Plaza, 7th floor
71, Park Street
Kolkata-7000016**

We have reviewed the accompanying statement of unaudited financial results of M/s **Kanoria Chemicals & Industries Limited** ("the Company") for the quarter and nine months ended 31st December 2011 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)**

Rajiv Singh

**(Rajiv Singhi)
Partner
Membership No. 53518**

RC

Dated, the 11th Day of February, 2012

1B, Old Post Office Street,
Kolkata – 700001

**KANORIA CHEMICALS & INDUSTRIES LIMITED**

"Park Plaza", 71, Park Street, Kolkata-700 016

Website : www.kanoriachem.com

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2011

(Rs. in Lakh)

Particulars	Quarter ended			Nine months ended		2010-2011 (Audited)
	31.12.2011	30.09.2011	31.12.2010	31.12.2011	31.12.2010	
1. Net Sales						
Gross Sales	6,360	6,128	15,891	25,748	44,487	62,604
Less: Inter Unit Transfer	-	-	2,690	1,408	7,710	10,239
Excise Duty	546	554	984	2,020	2,772	3,843
	5,814	5,574	12,247	22,320	34,005	48,522
2. Other Operating Income	66	73	137	330	328	867
3. Net Sale/Income from Operations	5,880	5,647	12,384	22,650	34,333	49,389
4. Income from Investments (refer note 5)	568	449	-	1,390	1	1
5. Net Sale/Income from Operations and Investments	6,448	6,096	12,384	24,040	34,334	49,390
6. Expenditure						
a) (Increase)/Decrease in Stock-in-Trade & work-in-progress	(352)	(88)	(368)	(253)	(262)	(63)
b) Consumption of Raw Materials	4,218	3,648	5,256	13,010	13,924	19,833
c) Purchases	-	-	190	-	192	892
d) Power & Fuel	765	726	2,408	3,298	6,149	8,599
e) Staff Cost	398	410	899	1,588	2,671	3,755
f) Depreciation & Amortisation	281	280	1,008	1,293	3,004	4,103
g) Other Expenditure	937	843	1,816	3,278	5,150	7,804
h) Total Expenditure	6,247	5,819	11,209	22,214	30,825	44,904
7. Profit from operations & Investments before other income, interest & Finance Charges and Exceptional items	201	277	1,175	1,826	3,506	4,486
8. Other income	-	-	-	-	-	-
9. Profit before interest & Finance Charges and Exceptional items	201	277	1,175	1,826	3,506	4,486
10. Interest & Finance Charges	176	185	550	1,125	1,587	2,326
11. Profit from Ordinary Activities before Exceptional items & Tax	25	92	625	701	1,919	2,160
12. Exceptional item (refer note 3)	-	-	7	35,704	65	(116)
13. Profit/(Loss) from Ordinary Activities before Tax	25	92	632	36,405	1,984	2,144
14. Tax Expenses (refer note 4)	(52)	(7)	140	7,013	431	446
15. Net Profit/(Loss) from Ordinary Activities after tax	77	99	492	29,392	1,553	1,698
16. Extraordinary items	-	-	-	-	-	-
17. Net Profit/(Loss)	77	99	492	29,392	1,553	1,698
18. Paid up Equity Share Capital (Rs.5/- per Share)	2,815	2,815	2,815	2,815	2,815	2,815
19. Reserves (excluding Revaluation Reserve)	-	-	-	-	-	19,514
20. Earnings per Shares (Rs.) - Basic	0.14	0.17	0.88	52.21	2.76	3.02
- Diluted	0.14	0.17	0.64	52.21	2.02	2.21
21. Public Shareholding						
Number of Shares	24178269	24178269	24178269	24178269	24178269	24178269
Percentage of Shareholding	42.95%	42.95%	42.95%	42.95%	42.95%	42.95%
22. 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 promoter & 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	32118231	32118231	32118231	32118231	32118231	32118231
Percentage of Shares (as a % of the total Shareholding of promoter 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)	57.05%	57.05%	57.05%	57.05%	57.05%	57.05%
SEGMENT WISE REVENUE, RESULTS & CAPITAL EMPLOYED:						
1. Segment Revenue (net of excise)						
Chloro Chemicals	-	-	10,910	7,322	30,916	42,576
Alco Chemicals	5,814	5,574	4,027	16,406	19,196	16,186
Total	5,814	5,574	14,937	23,728	41,715	58,761
Less: Inter/intra Segment Sales	-	-	2,690	1,408	7,710	10,239
Net Sales	5,814	5,574	12,247	22,320	34,005	48,522
2. Segment Results						
(Profit before Tax and interest & Finance Charges)						
Chloro Chemicals	-	-	1,219	1,140	3,725	4,958
Alco Chemicals	(119)	93	178	39	494	469
Total	(119)	93	1,397	1,179	4,222	5,427
Less:						
i) Interest & Finance Charges	176	185	550	1,125	1,587	2,326
ii) Other un-allocable expenditure net off un-allocable income	(320)	(184)	215	(36,351)	651	957
Profit/(Loss) before Tax	25	92	632	36,405	1,984	2,144
3. Capital Employed						
Chloro Chemicals	-	-	47,324	-	47,324	46,351
Alco Chemicals	22,484	21,559	20,373	22,484	20,373	22,570
Un-allocated	42,474	40,360	1,247	42,474	1,247	(3,560)
Total	64,958	61,919	68,944	64,958	68,944	65,361

Notes :

- 1 The above results have been reviewed by the Audit Committee and taken on record by the Board of Directors at its Meeting held on 11th February, 2012. The above results have been reviewed by the Statutory Auditors of the Company as per clause 41 of the listing agreement
- 2 The Company had entered into a Business Transfer Agreement with Aditya Birla Chemicals (India) Ltd. on 16th April, 2011 for sale of its Chloro Chemicals Division on slump sale basis for a cash consideration of Rs. 830 crores. The transaction has been approved by the Board of Directors in its meeting held on 16th April, 2011 and by the Shareholders on 23rd May, 2011. The transaction was concluded at the close of business hours on 23rd May, 2011 on receipt of cash consideration. The company recognised a profit of Rs. 357.97 crores on account of sale of the Chloro Chemicals Division.

The net profit of the Chloro Chemicals Division in respect of ordinary activities attributable to the discontinued operation was as under:
(Rupees in crores)

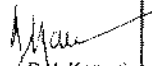
Particulars	For the nine months ended	
	31st December, 2011	31st December, 2010
Profit after tax	3.78	17.51

The carrying amount of assets and liabilities pertaining to Chloro Chemicals Division as at the date of sale were as under:
(Rupees in crores)

Particulars	As at 23 rd May, 2011
Total Assets	510.25
Total Liabilities	53.44

3. Exceptional items for the nine month ended 31st December, 2011 consists of :
 - a. Profit on Sale of Chloro Chemicals Division Rs. 357.97 crores
 - b. Loss arising from the change in the foreign exchange rates on payment of outstanding Foreign Currency Convertible Bonds & premium thereon Rs. 0.93 crores.
4. Tax expense includes capital gain tax on sale of Chloro Chemicals Division.
5. 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
6. During the quarter, 4 (Four) Investors' Complaints were received which were disposed off. No complaint was pending at the beginning and end of the quarter
7. Previous year figures have been regrouped/rearranged, wherever necessary.

Place : New Delhi
Date : 11th February, 2012


R.V. Kanoria
Chairman & Managing Director