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CIN : L15140GJ1992PLCO17024



KANEL INDUSTRIES LTD.

Date: May 19, 2022

To,
Department of Corporate Services
Bombay Stock Exchange Limited
25th Floor, P. J. Tower,
Dalal Street,
Fort, Mumbai- 400 001.

Dear Sir/Madam,

**Sub: Approval of Financial Results of the Company for the quarter and year ended
31.03.2022.**

Ref: Scrip Code: 500236 (Kanel Industries Limited)

Pursuant to Regulation 33 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the Audited Standalone Financial Results of the Company for the quarter and year ended 31st March, 2022 along with the Audit Report of the Statutory Auditor.

We hereby declare that Pursuant to the SEBI Circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016, there is unmodified opinion with respect to the Annual Audited Financial Results (Standalone and Consolidated) for the Year ended March 31, 2022.

Please take the same on your records.

Thanking You,

Yours faithfully,

FOR, KANEL INDUSTRIES LIMITED
(A company under Corporate Insolvency Resolution Process
by NCLT, Ahmedabad Bench)

PRASHANT BHARATBHAI PATEL
Resolution Professional
IBBI/IPA-002/IP-No. 0827/2019-2020/12627

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022

(Rs. in Lacs except Earnings per share data)

| Particulars | Quarter Ended | | | Year Ended | |
|------------------------------------------------------------------------------------------|---------------|--------------|--------------|--------------|---------------|
| | 31-03-2022 | 31-12-2021 | 31-03-2021 | 31/03/2022 | 31/03/2021 |
| | Audited | Unaudited | Audited | Audited | Audited |
| 1 Income from Operations | | | | | |
| (a) Revenue from operations | 0.00 | 0.00 | 0.41 | 5.23 | 8.29 |
| (b) Other Income | 0.00 | 0.00 | 0.30 | 16.16 | 1.20 |
| Total Income | 0.00 | 0.00 | 0.71 | 21.39 | 9.49 |
| 2 Expenses | | | | | |
| (a) Cost of Materials consumed | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (b) Purchase of stock-in-trade | 0.00 | 0.00 | 0.00 | 0.00 | 7.47 |
| (c) Increase/Decrease in inventories of FG, WIP and stock-in-trade | 0.00 | 0.00 | 0.00 | 2.98 | 0.00 |
| (d) Employee benefits expense | 0.00 | 0.00 | 0.72 | 1.30 | 2.40 |
| (e) Finance Costs | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (f) Depreciation and amortisation expense | 0.61 | 0.61 | 1.23 | 2.44 | 6.42 |
| (g) Other expenses | 3.93 | 5.06 | 7.21 | 13.05 | 10.69 |
| Total Expenses | 4.54 | 5.67 | 9.16 | 19.77 | 26.98 |
| 3 Profit/(loss) before exceptional items and tax (1-2) | -4.54 | -5.67 | -8.45 | 1.62 | -17.49 |
| 4 Exceptional Items | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5 Profit/(Loss) before tax (3-4) | -4.54 | -5.67 | -8.45 | 1.62 | -17.49 |
| 6 Tax Expense | | | | | |
| (a) Current tax | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (b) Deferred tax | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Tax Expenses | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7 Profit / (Loss) for the period from continuing operations (5-6) | -4.54 | -5.67 | -8.45 | 1.62 | -17.49 |
| 8 Profit (Loss) from discontinuing operations | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 9 Tax Expense of discontinuing operations | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 10 Profit (Loss) from discontinuing operations (after tax)(8-9) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 11 Other Comprehensive Income | | | | | |
| A(i) Items that will not be reclassified to profit or loss | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| B (i) Items that will be reclassified to profit or loss | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| ii) Income tax relating to items that will be reclassified to profit or loss | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Comprehensive Income for the period | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 12 Total Comprehensive Income for the period | -4.54 | -5.67 | -8.45 | 1.62 | -17.49 |
| 13 Paid-up equity share capital (Face value of ` 10/- each) | 1841.24 | 1841.24 | 1841.24 | 1841.24 | 1841.24 |
| 14 Earnings Per Share (before extraordinary items) (not annualised): | | | | | |
| (a) Basic | 0.00 | 0.00 | 0.00 | 0.00 | -0.01 |
| (b) Diluted | 0.00 | 0.00 | 0.00 | 0.00 | -0.01 |
| 15 Earnings Per Share (after extraordinary items) (not annualised): | | | | | |
| (a) Basic | 0.00 | 0.00 | 0.00 | 0.00 | -0.01 |
| (b) Diluted | 0.00 | 0.00 | 0.00 | 0.00 | -0.01 |
| 16 Debt Equity Ratio | | | | 0.00 | 0.00 |
| 17 Debt Service Coverage Ratio | | | | 0.00 | 0.00 |
| 18 Interest Service Coverage Ratio | | | | 0.00 | 0.00 |

Notes:

1. The above financial results have been reviewed and approved by the Resolution Professional Mr. Prashant Patel on May 19, 2022. The Audit under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been carried out by the statutory auditor. The Audit Report does not contain any observation which could have an impact on the results for the quarter & year ended March 31, 2022 except few Disclaimers for Opinion due to ongoing CIRP proceedings on the company.

2. The Company adopted the Indian Accounting Standards ('Ind AS') effective 1st April, 2017 (transition date 1st April, 2016). The financial results have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013 read with the relevant Rules issued there under.

M. Patel

3. Company operates only in one segment which is trading of edible oils.

4. National Company Law Tribunal; Ahmedabad Bench has admitted the application of Corporate Insolvency Resolution Process (CIRP) under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC) in the matter of M/s. Ardent Ventures LLP a financial creditor of the company Versus M/s. Kanel Industries Limited corporate debtor w.e.f. 03rd December, 2021. Further Mr. Prashant Bharatkumar Patel has been appointed as Interim Resolution Professional (IRP) and the moratorium is envisaged under the provisions of Section 14(1) in relation to the Corporate Debtor prohibiting all of the actions mentioned under Section 14(1)(a) to (d) and the proceedings of the same are going on.

For, KANEL INDUSTRIES LIMITED
(A company under Corporate Insolvency Resolution
Process by NCLT, Ahmedabad Bench)



PRASHANT BHARATBHAI PATEL
Resolution Professional

IBBI Reg. No.: IBBI/IPA-002/IP- No. 0827/2019-2020/12627

Date : 19/05/2022
Place : Ahmedabad

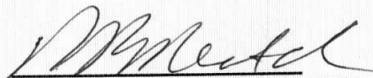
Statement of Assets and Liabilities for Kanel Industries Limited

(Amount in Rs.)

| Standalone / Consolidated Statement of Assets and Liabilities Particulars | As at (Current year ended) 31/03/2022 | As at (Previous year ended) 31/03/2021 |
|---------------------------------------------------------------------------------------------|---------------------------------------------|----------------------------------------------|
| ASSETS | | |
| 1 Non - current Assets | | |
| (a) Property, Plant and Equipment | 5991436.37 | 6235712.41 |
| (b) Capital work-in-progress | - | - |
| (c) Investment Property | - | - |
| (d) Goodwill | - | - |
| (e) Other Intangible assets | - | - |
| (f) Intangible assets under development | - | - |
| (g) Biological Assets other than bearer plants | - | - |
| (h) Financial Assets: | | |
| (i) Investments | 5000.00 | 5000.00 |
| (ii) Trade receivables | 29031494.00 | 30515478.00 |
| (iii) Loans | 0.00 | - |
| (i) Deferred tax assets (net) | - | - |
| (j) Other non-current assets | - | - |
| 2 Current Assets | | |
| (a) Inventories | 0.00 | 297905.90 |
| (b) Financial Assets | | |
| (i) Investments | - | - |
| (ii) Trade receivables | 0.00 | 24849320.55 |
| (iii) Cash and cash equivalents | 25424.62 | 25424.62 |
| (iv) Bank balances other than(iii) above | 2048496.46 | 93699.15 |
| (v) Loans | 17953376.69 | 6714448.40 |
| (vi) Others (specify) | 0.00 | 51201428.29 |
| (c) Current Tax Assets (Net) | - | - |
| (d) Other current assets | 0.00 | 0.00 |
| TOTAL - ASSETS | 55055228.14 | 119938417.32 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| (a) Equity Share capital | 184124400.00 | 184124400.00 |
| (b) Reserves | -253311039.72 | -253473520.59 |
| LIABILITIES | | |
| Non-current liabilities | | |
| (a) Financial Liabilities | | |
| (i) Borrowings | 34300000.00 | 72674633.00 |
| (ii) Trade payables | - | - |
| (iii) Other financial liabilities (other than those specified in item (b), to be specified) | - | - |
| Unsecured Loans | 72397337.65 | - |
| (b) Provisions | - | - |
| (c) Deferred tax liabilities (Net) | - | - |
| (d) Other non-current liabilities | - | - |
| Current Liabilities | | |
| (a) Financial Liabilities | | |
| (i) Borrowings | 0.00 | 23622835.65 |
| (ii) Trade payables | 8794427.20 | 81406081.79 |
| (iii) Other financial liabilities (other than those specified in item ©) | - | - |
| (b) Other current liabilities | 8744307.01 | 2522637.00 |
| (c) Provisions | 5796.00 | 9061350.47 |
| (d) Current Tax Liabilities (Net) | - | - |
| TOTAL - EQUITY AND LIABILITIES | 55055228.14 | 119938417.32 |

For, KANEL INDUSTRIES LIMITED
(A company under Corporate Insolvency Resolution
Process by NCLT, Ahmedabad Bench)

Date : 19/05/2022
Place : Ahmedabad


PRASHANT BHARATBHAI PATEL
Resolution Professional

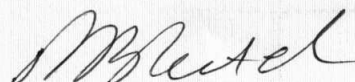
KANEL INDUSTRIES LTD
CASH FLOW STATEMENT, ANNEXURE TO BALANCE SHEET
FOR THE YEAR ENDED ON 31-03-2022

| Particulars | 01/04/2021 to 31/03/2022 | 01/04/2020 to 31/03/2021 |
|-----------------------------------------------------------------|--------------------------------|--------------------------------|
| 1, Profit before Tax and extraordinary items | 162481 | -1748622 |
| Adjustments for : | | |
| a) Depreciation | 244276 | 641987 |
| b) Financial Charges | 0 | 0 |
| c) Interest Received | 0 | 0 |
| d) Income from Kasar - Vatav & other income | -1586174 | |
| e) Bad debt provision | | |
| OPERATING PROFIT [Loss] BEFORE WORKING CAPITAL CHARGES | -1179417 | -1106635 |
| Adjustment for : | | |
| a) Trade and Other Receivables | 26333305 | 0 |
| b) Inventories | 297906 | 747328.92 |
| c) Trade Payable & Other Liabilities | -75985540 | -11811328 |
| d) Decrease in deposits/advances | 41752500 | 11104000 |
| CASH GENERATED FROM OPERATIONS | -8781246 | -1066634.08 |
| Income Tax Paid | 0 | 0 |
| CASH FLOW BEFORE EXTRA ORDINARY ITEMS | -8781246 | -1066634.08 |
| Extra Ordinary Items | 1586174 | 300157 |
| NET CASH FLOW FROM OPERATING ACTIVITIESA | -7195072 | -766477.08 |
| 2. CASH FLOW FROM INVESTMENT ACTIVITIES | | |
| a) Purchase of Fixed Assets | 0 | 0 |
| b) Sale of Fixed Assets | 0 | 0 |
| c) Fresh Investment | 0 | 0 |
| d) Sale / reductuib of Investmetns | 0 | 0 |
| NET CASH USED IN INVESTING ACTIVITIES.....B | 0 | 0 |
| 3. CASH FLOW FROM FINANCIAL ACTIVITIES | | |
| a)(Decrease)Increase in Long Term Borrowing (Net) | 300000 | 0 |
| b)(Decrease)Increase in Unsecure loan | 8849869 | 740996 |
| c) Interest Paid | | |
| d) Interest received | | |
| NET CASH USED IN FINANCIAL ACTIVITIES.....C | 9149869 | 740996 |
| NET INCREASE(DECREASE) IN CASH (A+B+C) | 1954797 | -25481.08 |
| Opening Balance of Cash & Cash Equivalents | 119123.92 | 144605 |
| Closing Balance of Cash & Cash Equivalents | 2073921 | 119123.92 |

- Note: 1 Figures for the previous year have been regrouped/restated wherever material
2 All figures "-" indicates outflow.
3 The above cash flow statement has been prepared under the ' Indirect Method ' as set out in Accounting Standard 3 on Cash Flow statement" issued by the ICAI.
4. Closing Cash and Cash equivalents are Rs. 2073921

Date : 19/05/2022
Place : Ahmedabad

For, KANEL INDUSTRIES LIMITED
(A company under Corporate Insolvency Resolution
Process by NCLT, Ahmedabad Bench)


PRASHANT BHARATBHAI PATEL
Resolution Professional



Bhagat & Co.
Chartered Accountants

Office : 24, Laxmi Chambers, Navjeevan Press Road, Nr. Old High Court, Income Tax, Ahmedabad
- 380 014.

INDEPENDENT AUDITOR'S REPORT
To the Members of **KANEL INDUSTRIES LIMITED**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **KANEL INDUSTRIES LIMITED** ("the Company"), which comprise the balance sheet as at 31st March 2022, and the statement of profit and loss, (*statement of changes in equity*) and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit/loss, (*changes in equity*) and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

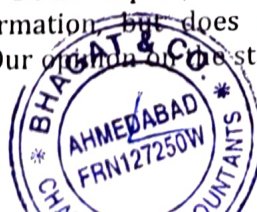
Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. During the year under audit, there is no such matter to be reported.

During the year under audit, company has advanced to number of parties interest free loans of Rs.NIL (Rs.141.34 Lacs in earlier years.) During the financial year, the company has taken unsecured loans of Rs.668.46 Lacs[Rs.3.36 lacs from Related Parties] and 343 lacs from Ardent Venture LLP. Advances and Unsecured Loans, both are unsecured and no proper agreement executed by the company with any of the parties hence in absence of formal agreement, we are unable to comment about the non provision of interest expenses and interest income and its repayment terms. We have not received any satisfactory explanation from the management for above advances and loan taken as regards the terms or written agreement executed with the parties for its repayment and interest provision. In our opinion these transactions are prejudicial to the interest of the company, at least to the extent of interest income of company and for its repayment.

Information Other than the Standalone Financial Statements and Auditor's report thereon

The Company's BOARD OF DIRECTORS / RP is responsible for the preparation of other information. The Other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board report, Business responsibility Report, Corporate Governance report and Shareholder's information, but does not include the standalone financial statement and our auditor's report thereon. Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our 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.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's BOARD OF DIRECTORS / RP is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the 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.

The BOARD OF DIRECTORS / RP 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 standalone financial statements 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 standalone 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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to



the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. Materiality is the magnitude of misstatements in the standalone financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) Planning the scope of our audit work and in evaluating the results of our work and (ii) To evaluate the effect of any identified misstatements in the standalone financial statements. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

Other Matter

- i) We did not audit the financial statements/ information of ...NIL..... (number) branches included in the standalone financial statements of the Company whose financial statements/financial information reflect total assets of Rs. NIL as at 31st March 2022 and total revenue of Rs. NIL for the year ended on that date, as considered in the standalone financial statements. The financial statements/information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.
- ii) The Company has taken inter corporate loan of Rs. 662.10 Lacs [NIL] and unsecured loans from related parties/firms of Rs. 3.36 [741lacs] and from Non Related person Rs.



665.10 lacs [Rs 12.50 lacs] during the financial year under audit. The Closing Balance at the yearend are Rs. 507.11 Lacs [311.23lacs] in case of related parties and firms and from key management person and Rs.216.85 Lacs [324.24lacs] from other parties. No interest provided on loan accounts. In absence of formal agreement or supporting other documents, we could not comment and could not quantify the non provision of interest thereon.

- iii) Company has not made provision for doubtful Debtors of Rs 290.31 lacs [Rs. 305.15 Lacs] Which are long outstanding and chances for recovery are very less, as per our opinion, these are bad debts, to that extent, Current Assets have been overstated and current years Losses and accumulated losses have been understated.
- iv) During the year under Audit, Ardent Ventures LLP, the financial creditor of the company has filed an application before the National Company Law Tribunal, Ahmedabad branch (NCLT) for initiating Corporate Insolvency Resolution Process (CIRP). National Company Law Tribunal; Ahmedabad Bench has admitted the said application and commenced the Corporate Insolvency Resolution Process (CIRP) w.e.f. 03rd December, 2021 under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC) in the matter of M/s. Ardent Ventures LLP a financial creditor of the company Versus M/s. Kanel Industries Limited corporate debtor for the alleged default. Further Mr. Prashant Bharatkumar Patel has been appointed as Interim Resolution Professional (IRP) and the moratorium is envisaged under the provisions of Section 14(1) in relation to the Corporate Debtor prohibiting all of the actions mentioned under Section 14(1)(a) to (d) and the proceedings of the same are going on.-
- v) The Naroda Unit has been inoperative since last many years. Plant and Machinery at Naroda Unit became scrape and sold out during the previous year as a scrape. Company has negligible trading activities during the year under audit, majority Financial indicators and operating indicators remained negative and to the date of Audit report and in absence of formal developments for financial support., CIRP process is going on, in these scenario, there is substantial doubt that it will be able to continue as a going concern even though the books of accounts of the Company has been prepared on the assumption of a Going Concern basis. In this situation, adjustments may be required to the recorded assets amounts at current value and classification of liabilities is required. The financial statements do not disclose this fact.
- vi) There is Contingent Liabilities of Rs 3072.08 lacs towards Financial Creditors and Rs. 2663.41 Lacs towards Operational Creditors as on 31/03/2022 as reported by the IRP.
- vii) The company has not paid Listing Fees Ahmedabad, Jaipur and Calcutta stock exchange.

Our opinion is not modified in respect of this matter.

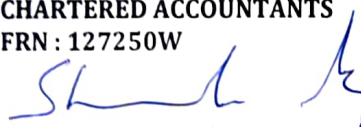
Report on Other Legal and Regulatory Requirements

- 1 Pursuant to 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 "A" 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 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 and records.
 - (c) The reports on the financial statements of branches of the Company audited under section 143(8) of the Act is not applicable to the company.
 - (d) The Balance sheet, the Statement of Profit & Loss (including other comprehensive income), Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- (e) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.
- (f) On the basis of the written representation received from the directors as on March 31, 2022 taken on records by the BOARD OF DIRECTORS / RP, none of the directors are disqualified as on March 31, 2022 from being appointed as a Directors in terms of Section 164(2) of the Act.
- 3 With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 as at March 31, 2022 on its financial position in its Standalone Financial Statements Refer Notes to the Standalone 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. [Refer Notes No.]
- 4 With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act: In our opinion and according to the information and explanations given to us, during the year under Audit, no remuneration paid to Directors hence there is no requirement to give comment upon compliance of the provisions of Section 197 of the Act.

For
BHAGAT & CO.
CHARTERED ACCOUNTANTS
FRN : 127250W


Shankar Prasad Bhagat.
Partner.

M. NO. 052725

Date : May 19, 2022

Place: Ahmedabad

UDIN: 22052725AJGLZY5624



Registered Office :
203, Abhijeet - 1,
Mithakhali Six Roads,
Ellisbridge, Ahmedabad-380006.
Ph. : + 91-79-26423365/66
Fax : +91-79-26423367
E-mail : koeil@yahoo.com
Website : www.kanel.in
CIN : L15140GJ1992PLCO17024



KANEL INDUSTRIES LTD.

Date: May 19, 2022

To,
Department of Corporate Services
Bombay Stock Exchange Limited
25th Floor, P. J. Tower,
Dalal Street,
Fort, Mumbai- 400 001.

Dear Sir/Madam,

DECLARATION

I, Prashant Bharatbhai Patel, Resolution Professional of Kanel Industries Limited having its registered office at 203, Abhijeet Building, Near Mithakhali Six Road, Ellisbridge, Ahmedabad 380006, hereby declare that, the Statutory Auditors of the Company, M/s. Bhagat & Co., Chartered Accountants, Ahmedabad have issued an Audit Report with unmodified opinion on audited Standalone financial results for the quarter and year ended on 31st March, 2022.

This declaration is issued in compliance of Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CIR/CFD/CMD/56/2016 dated 27th May, 2016.

Thanking You,

FOR, KANEL INDUSTRIES LIMITED
(A company under Corporate Insolvency Resolution Process
by NCLT, Ahmedabad Bench)

PRASHANT BHARATBHAI PATEL
Resolution Professional
IBBI/IPA-002/IP-No. 0827/2019-2020/12627