



# KANANI INDUSTRIES LIMITED

CIN : L51900MH1983PLC029598

July 30, 2020

To,  
Asst. General Manager-  
Dept of Corp. Services,  
Bombay Stock Exchange Ltd.  
1st Floor, P.J. Towers,  
Dalal Street, Fort,  
Mumbai: 400001.

To,  
Listing Department,  
National Stock Exchange of India Ltd.  
Exchange Plaza,  
Plot no. C/1, G Block,  
Bandra-Kurla Complex, Bandra (E)  
Mumbai - 400 051.

Respected Sir/Madam,

**Scrip code/ Scrip ID: 506184/ KANANIIND**

**Sub: Outcome Of Board Meeting held on 30<sup>th</sup> July, 2020.**

We enclose herewith the audited standalone and consolidated financial results of the Company for the quarter and year ended 31<sup>st</sup> March, 2020, which have been approved and taken on record at the meeting of the Board of Directors of the Company held today, the 30<sup>th</sup> July, 2020.

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), read with SEBI Circular CIR/CFD/CMD/56/2016 dated 27<sup>th</sup> May, 2016 on "Disclosure of the Impact of Audit Qualifications by the Listed Entities", we would like to confirm that *M/s. Deepak Mehta & Associates, Chartered Accountants (Firm Registration no. 102239W)*, Statutory Auditors of the Company, have issued Audit Reports with unmodified opinion on the above financial results.

Further, we would like to inform you that the Board of Directors has also approved / taken on record the following in the aforesaid meeting:

- Approved the re-appointment of Mrs. Ami Dhaval Jariwala as an Independent Director for a second term of 5 years w.e.f. 1st April, 2020, subject to Member's approval;

The meeting of Board of Directors held today commenced at 3.00 PM and concluded at 4.45 PM.

Kindly take the note of the above.

Thanking You,

Yours faithfully,

For: KANANI INDUSTRIES LIMITED

  
PREMJIBHAI KANANI  
Chairman  
(DIN NO: 01567443)



**Regd. Office :**

915/C, The Capital, G-Block,  
Bandra Kurla Complex, Bandra (E),  
Mumbai, Maharashtra - 400051  
Tel. : +91 22 6526 3333 | Fax : + 91 22 3008 4000  
Email : info@kananiindustries.com

**Factory :**

Plot No. 42,  
Surat Special Economic Zone,  
Sachin, Surat, Gujarat - 394230  
Tel. : +91 261 321 5152  
Website : www.kananiindustries.com

# KANANI INDUSTRIES LIMITED

R.O. : 915C, THE CAPITAL, G-BLOCK, BANDRA KURLA COMPLEX, BANDRA (EAST), MUMBAI: 400051.

CIN NO. L51900MH1983PLC029598

WEBSITE: www.kananiindustries.com

## STATEMENT OF STANDALONE AUDITED FINANCIAL RESULT FOR THE QUARTER AND YEAR ENDED 31 ST MARCH, 2020

(Rs. in lacs)

Particulars	Quarter Ended			Year Ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	Unaudited	Unaudited	Unaudited	Audited	Audited
1 Revenue from Operation	1,576.04	2,698.18	2,007.68	8,563.56	8,312.79
2 Other Income	63.76	47.56	(42.01)	65.69	1.27
<b>3 Total Income (1+2)</b>	<b>1,639.80</b>	<b>2,745.74</b>	<b>1,965.67</b>	<b>8,629.24</b>	<b>8,314.06</b>
<b>4 Expenses:</b>					
(1) Cost of Raw Material Consumed	2,186.21	2,933.41	1,871.17	8,872.56	8,079.19
(2) Purchase of Stock-in-trade	-	-	-	-	-
(3) Changes in inventories of finished goods, Work-in progress and stock-in trade	(677.59)	(357.00)	65.06	(689.85)	(47.23)
(4) Employee Benefit Expenses	12.04	11.90	10.32	47.69	41.18
(5) Finance Cost	23.91	20.15	11.86	81.34	78.27
(6) Depreciation & amortisation Expenses	3.55	3.58	6.60	13.86	26.04
(7) Other Expenses	78.90	119.33	13.20	231.14	65.87
<b>Total Expenses (4)</b>	<b>1,627.02</b>	<b>2,731.38</b>	<b>1,978.22</b>	<b>8,556.75</b>	<b>8,243.31</b>
<b>5 Total Profit before Exceptional Items and tax (3-4)</b>	<b>12.77</b>	<b>14.37</b>	<b>(12.55)</b>	<b>72.49</b>	<b>70.75</b>
6 Exceptional Items	-	-	-	-	-
<b>7 Total Profit before before Tax (5-6)</b>	<b>12.77</b>	<b>14.37</b>	<b>(12.55)</b>	<b>72.49</b>	<b>70.75</b>
<b>8 Tax Expenses</b>					
Current Tax	2.18	2.24	(2.03)	11.50	14.00
Tax for Earlier Year	4.37	-	-	4.37	-
<b>9 Net Profit (Loss) for the period from continuing operations (7-8)</b>	<b>6.22</b>	<b>12.12</b>	<b>(10.52)</b>	<b>56.62</b>	<b>56.75</b>
10 Profit / (Loss) from discontinued operations before tax	-	-	-	-	-
11 Tax Expenses of discontinued operations	-	-	-	-	-
<b>12 Net Profit (Loss) from discontinued operation after tax (10-11)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>13 Total Profit (Loss) for the period (9+12)</b>	<b>6.22</b>	<b>12.12</b>	<b>(10.52)</b>	<b>56.62</b>	<b>56.75</b>
<b>14 Other Comprehensive Income</b>					
A (i) Item that will not be reclassified to profit or loss	-	-	-	-	-
(ii) Income tax relating to item that will not be reclassified to profit or loss	-	-	-	-	-
B (i) Item that will be reclassified to profit or loss	-	-	-	-	-
(ii) Income tax relating to item that will be reclassified to profit or loss	-	-	-	-	-
<b>15 Total comprehensive income for the period</b>	<b>6.22</b>	<b>12.12</b>	<b>(10.52)</b>	<b>56.62</b>	<b>56.75</b>
<b>16 Paid up equity share capital</b>	<b>989.34</b>	<b>989.34</b>	<b>989.34</b>	<b>989.34</b>	<b>989.34</b>
(Face Value of Share)	1.00	1.00	1.00	1.00	1.00
<b>17 Reserve excluding Revaluation Reserves</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,279.86</b>	<b>3,223.24</b>
<b>18 Earnings per equity shre (for continuing operation):</b>					
1 Basic	0.01	0.01	(0.01)	0.06	0.06
2 Diluted	0.01	0.01	(0.01)	0.06	0.06
<b>19 Earnings per equity shre (for discontinued operation):</b>					
1 Basic	-	-	-	-	-
2 Diluted	-	-	-	-	-
<b>20 Earnings per equity shre (for discontinued &amp; continuing operations):</b>					
1 Basic	0.01	0.01	(0.01)	0.06	0.06
2 Diluted	0.01	0.01	(0.01)	0.06	0.06



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CIN NO. L51900MH1983PLC029598

WEBSITE: www.kananiindustries.com

STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULT FOR THE QUARTER AND YEAR ENDED 31 ST MARCH, 2020

(Rs. in lacs)

Particulars	Quarter Ended			Year Ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	Unaudited	Unaudited	Unaudited	Audited	Audited
1 Revenue from Operation	10,295.93	12,667.83	7,948.71	37,656.28	34,413.84
2 Other Income	63.76	47.56	(42.01)	65.69	1.28
<b>3 Total Income (1+2)</b>	<b>10,359.69</b>	<b>12,715.40</b>	<b>7,906.70</b>	<b>37,721.97</b>	<b>34,415.12</b>
<b>4 Expenses:</b>					
(1) Cost of Raw Material Consumed	2,186.21	2,933.41	1,871.17	8,872.56	8,079.19
(2) Purchase of Stock-in-trade	8,683.66	9,984.16	5,604.10	28,643.20	25,636.40
(3) Changes in inventories of finished goods, Work-in progress and stock-in trade	(740.31)	(437.39)	356.22	(545.35)	104.53
(4) Employee Benefit Expenses	(8.25)	36.04	30.74	99.16	132.58
(5) Finance Cost	24.11	20.18	16.61	88.41	99.06
(6) Depreciation & amortisation Expenses	3.55	3.58	6.60	13.86	26.04
(7) Other Expenses	93.53	127.68	20.89	275.63	103.26
<b>Total Expenses (4)</b>	<b>10,242.50</b>	<b>12,667.65</b>	<b>7,906.33</b>	<b>37,447.47</b>	<b>34,181.07</b>
<b>5 Total Profit before Exceptional Items and tax (3-4)</b>	<b>117.19</b>	<b>47.74</b>	<b>0.37</b>	<b>274.49</b>	<b>234.05</b>
6 Exceptional Items	-	-	-	-	-
<b>7 Total Profit before before Tax (5-6)</b>	<b>117.19</b>	<b>47.74</b>	<b>0.37</b>	<b>274.49</b>	<b>234.05</b>
<b>8 Tax Expenses</b>					
Current Tax	2.68	2.90	0.10	13.92	16.12
Tax for Earlier Year	4.37	-	-	4.37	-
<b>9 Net Profit (Loss) for the period from continuing operations (7-8)</b>	<b>110.15</b>	<b>44.85</b>	<b>0.27</b>	<b>256.20</b>	<b>217.92</b>
10 Profit / (Loss) from discontinued operations before tax	-	-	-	-	-
11 Tax Expenses of discontinued operations	-	-	-	-	-
<b>12 Net Profit (Loss) from discontinued operation after tax (10-11)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>13 Total Profit (Loss) for the period (9+12)</b>	<b>110.15</b>	<b>44.85</b>	<b>0.27</b>	<b>256.20</b>	<b>217.92</b>
<b>14 Other Comprehensive Income</b>					
A (i) Item that will not be reclassified to profit or loss	-	-	-	-	-
(ii) Income tax relating to item that will not be reclassified to profit or loss	-	-	-	-	-
B (i) Item that will be reclassified to profit or loss	-	-	-	-	-
(ii) Income tax relating to item that will be reclassified to profit or loss	-	-	-	-	-
<b>15 Total comprehensive income for the period</b>	<b>110.15</b>	<b>44.85</b>	<b>0.27</b>	<b>256.20</b>	<b>217.92</b>
<b>16 Paid up equity share capital</b>	<b>989.34</b>	<b>989.34</b>	<b>989.34</b>	<b>989.34</b>	<b>989.34</b>
(Face Value of Share)	1.00	1.00	1.00	1.00	1.00
<b>17 Reserve excluding Revaluation Reserves</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,660.64</b>	<b>4,267.73</b>
<b>18 Earnings per equity shre (for continuing operation):</b>					
1 Basic	0.11	0.05	0.00	0.26	0.22
2 Diluted	0.11	0.05	0.00	0.26	0.22
<b>19 Earnings per equity shre (for discontinued operation):</b>					
1 Basic	-	-	-	-	-
2 Diluted	-	-	-	-	-
<b>20 Earnings per equity shre (for discontinued &amp; continuing operations):</b>					
1 Basic	0.11	0.05	0.00	0.26	0.22
2 Diluted	0.11	0.05	0.00	0.26	0.22



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CIN NO. L51900MH1983PLC029598

WEBSITE: www.kananiindustries.com

STANDALONE & CONSOLIDATED AUDITED STATEMENT OF ASSETS AND LIABILITIES AS ON 31 ST MARCH, 2020

(Rs. in lacs)

Particulars	STANDALONE		CONSOLIDATED	
	Year Ended		Year Ended	
	31.03.2020 Unaudited	31.03.2019 Audited	31.03.2020 Unaudited	31.03.2019 Audited
<b>ASSETS</b>				
<b>1 Non-current assets</b>				
(a) Property, Plant and Equipment	41.62	55.48	41.62	55.48
(b) Capital Work in Progress	-	-	-	-
(C) Investment in Property	-	-	-	-
(d) Goodwill	-	-	-	-
(e) Other Intangible assets	-	-	-	-
(f) Intangible assets under development	-	-	-	-
(g) Biological assets other than bearer plants	-	-	-	-
(h) <u>Financial Assets</u>				
(i) Investments	2,133.59	2,133.59	-	-
(ii) Trade Receivable	-	-	-	-
(iii) Loans	-	-	-	-
(iv) Others	-	-	-	-
(i) Deferred Tax Assets	-	-	-	-
(j) Other Non-current Assets	0.21	2.51	2.54	4.65
<b>Total Non-Current Assets</b>	<b>2,175.42</b>	<b>2,191.58</b>	<b>44.16</b>	<b>60.13</b>
<b>2 Current assets</b>				
(a) Inventories	1,393.01	1,215.84	3071.94	3039.27
(b) <u>Financial Assets</u>				
(i) Investments	-	-	-	-
(ii) Trade Receivable	5,229.77	4,740.42	11,905.02	10,859.18
(iii) Cash & Cash Equivalents	376.65	996.66	426.09	1,019.38
(iv) Bank Balance other than (iii) above	-	-	-	-
(v) Loans	-	-	-	-
(vi) Others	14.39	58.83	14.39	58.83
(C) Current Tax Assets (Net)	-	-	-	-
(d) Other Current Assets	23.88	26.19	23.88	26.19
<b>Total Current Assets</b>	<b>7,037.69</b>	<b>7,037.94</b>	<b>15,441.32</b>	<b>15,002.86</b>
<b>TOTAL ASSETS</b>	<b>9,213.11</b>	<b>9,229.52</b>	<b>15,485.48</b>	<b>15,062.99</b>
<b>TOTAL</b>				
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity Share Capital	989.34	989.34	989.34	989.34
(b) Other equity	3,279.86	3,223.24	4,660.64	4,267.73
<b>LIABILITIES</b>				
<b>1 Non Current Liabilities</b>				
(a) <u>Financial Liabilities</u>				
(i) Borrowings	439.15	580.85	439.15	580.85
(ii) Trade Payables	-	-	-	-
(iii) Other Financial Liabilities (Other than those specified in item (b))	-	-	-	-
(b) Provisions	-	-	-	-
(C) Deferred Tax Liabilities (Net)	-	-	-	-
(d) Other Non-current Liabilities	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>4,708.35</b>	<b>4,793.43</b>	<b>6,089.13</b>	<b>5,837.92</b>
<b>2 Current Liabilities</b>				
(a) <u>Financial Liabilities</u>				
(i) Borrowings	2,088.97	2,500.00	2,088.97	3,156.93
(ii) Trade Payables	2,391.92	1,920.61	7,279.05	6,048.66
(iii) Other Financial Liabilities (Other than those specified in item (C))	-	-	-	-
(b) Other Current Liabilities	23.87	15.48	25.91	17.36
(C) Provision	-	-	2.42	2.12
(d) Current Tax Liabilities (Net)	-	-	-	-
<b>Total Current Liabilities</b>	<b>4,504.76</b>	<b>4,436.09</b>	<b>9,396.36</b>	<b>9,225.07</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>9,213.11</b>	<b>9,229.52</b>	<b>15,485.48</b>	<b>15,062.99</b>
<b>TOTAL</b>				



# KANANI INDUSTRIES LIMITED



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 CIN NO. L51900MH1983PLC029598 WEBSITE: www.kananiindustries.com  
**STANDALONE & CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 ST MARCH, 2020**

(Rs. in lacs)

Particulars	STANDALONE		CONSOLIDATED	
	Year Ended		Year Ended	
	31.03.2020 Unaudited	31.03.2019 Audited	31.03.2020 Unaudited	31.03.2019 Audited
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net profit before tax and extra-ordinary items	72.49	70.75	274.49	234.05
<u>Adjustments for :</u>				
Depreciation	13.86	26.04	13.86	26.04
Foreign currency translation reserve	-	-	136.71	63.95
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES :</b>	<b>86.35</b>	<b>96.79</b>	<b>425.06</b>	<b>324.03</b>
<u>Adjustments for :</u>				
Trade receivables	(489.35)	(94.88)	(1,045.84)	1,377.87
Other receivables	46.76	4.41	46.56	4.28
Inventories	(177.17)	(562.02)	(32.67)	(405.24)
Trade Payables & Other Liabilities	471.76	478.76	1,231.01	(1,395.43)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(61.65)</b>	<b>(76.94)</b>	<b>624.13</b>	<b>(94.48)</b>
Direct taxes paid	(5.64)	(14.75)	(7.76)	(18.83)
Income tax refund	-	-	-	-
<b>Net cash from operating activities</b>	<b>(67.28)</b>	<b>(91.69)</b>	<b>616.37</b>	<b>(113.30)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Purchase of property, plant and equipment	-	(35.77)	-	(35.77)
<b>Net cash used in investment activities</b>	<b>-</b>	<b>(35.77)</b>	<b>-</b>	<b>(35.77)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Proceeds/(Repayment) of Short Term Borrowings	(411.03)	-	(1,067.96)	37.72
Proceeds/(Repayment) of Long-Term Borrowings	(141.70)	176.82	(141.70)	176.82
<b>Net cash used in financing activities</b>	<b>(552.73)</b>	<b>176.82</b>	<b>(1,209.66)</b>	<b>214.53</b>
<b>Net Increase / (Decrease) in cash and cash equivalents</b>	<b>(620.01)</b>	<b>49.36</b>	<b>(593.29)</b>	<b>65.46</b>
Opening balance of Cash & cash equivalents	996.66	947.30	1,019.38	953.92
Closing balance of Cash & cash equivalents	376.65	996.66	426.09	1,019.38

**Notes:**

- The financial results of the Company have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015, prescribed under Section 133 of the Companies Act, 2013, and other recognised accounting practices and policies to the extent applicable.
- The above financial results of the Company have been reviewed and recommended by the Audit Committee and approved and taken on record by the Board of Directors at its meeting held on July, 30 2020.
- The figures for the quarter ended 31st March, 2020 and 31st March, 2019 are the balancing figures between the audited figures in respect of the full financial year and the published year to-date figures upto nine months of the relevant financial year.
- Figures of the corresponding previous period have been regrouped, rearranged wherever necessary to conform to the classification of the current period.
- The Company's operations were disrupted by the prolonged lock down announced by the Government consequent to CoVID-19 crisis, partly in the month of March 2020, fully in the month of April 2020 and partly in the month of May 2020. The management has assessed the impact of the lockdown & consequent economic slowdown on business operations, revenues, cash flows and other financial parameters as on 31st March, 2020. It has evaluated and assessed that the current situation will not affect the recoverability of the company's assets, ongoing pertinence of its business, valuation & realisation of its inventory as also its ability to repay liabilities. While evaluating the impact, the management has considered the global economic conditions as well as information emanating from external and internal sources and is hopeful that future of Indian economy and the Diamond and Jewellery industry in particular, barring a short term slow down, will see a reasonable recovery.
- The Company has only one reportable segment.

For & On Behalf of Board of Directors



*Mr. Premjibhai Kanani*

**Mr. Premjibhai Kanani**  
Chairman  
DIN NO: 01567443

Place : Mumbai  
Date : 30/07/2020



# KANANI INDUSTRIES LIMITED

CIN : L51900MH1983PLC029598

## DECLARATION

*[Pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

Pursuant to the requirement as specified by Regulation 33 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2016, it is hereby declared by the Auditors Report for the financial year ended as on March 31, 2019 contains unmodified opinion as provided under the Independent Auditors' Report which is attached herewith for your reference.

You are kindly requested to take the above declaration in your records.

For: KANANI INDUSTRIES LIMITED

DARSHAK PANDYA  
(Chief Finance Officer)



Date: 30th July, 2020

### Regd. Office :

915/C, The Capital, G-Block,  
Bandra Kurla Complex, Bandra (E),  
Mumbai, Maharashtra - 400051  
Tel. : +91 22 6526 3333 | Fax : + 91 22 3008 4000  
Email : info@kananiindustries.com

### Factory :

Plot No. 42,  
Surat Special Economic Zone,  
Sachin, Surat, Gujarat - 394230  
Tel. : +91 261 321 5152  
Website : www.kananiindustries.com



# Deepak Mehta & Associates

## Chartered Accountants

### INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL STANDALONE FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS

To the Board of Directors  
**Kanani Industries Limited**  
Mumbai.

#### Opinion and Conclusion

We have (a) audited the Standalone Financial Results for the year ended March 31, 2020 and (b) reviewed the Standalone Financial Results for the quarter ended March 31, 2020 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Standalone Financial Results for the Quarter and Year Ended March 31, 2020" of **KANANI INDUSTRIES LIMITED** ("the Company"), ("the Statement") being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

#### **(a) Opinion on Annual Financial Results**

In our opinion and to the best of our information and according to the explanations given to us, the Standalone Financial Results for the year ended March 31, 2020:

- (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year then ended.

#### **(b) Conclusion on Unaudited Standalone Financial Results for the quarter ended March 31, 2020**

With respect to the Standalone Financial Results for the quarter ended March 31, 2020, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Standalone Financial Results for the quarter ended March 31, 2020, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.





# Deepak Mehta & Associates

## Chartered Accountants

### **Basis for Opinion on the Audited Standalone Financial Results for the year ended March 31, 2020**

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the year ended March 31, 2020 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

### **Emphasis of Matter**

We draw attention to Note 5 to the audited annual financial results, which explains the management's assessment of going concern assumption and financial impact on account of COVID 19 pandemic situation and its assertion that based on assessment made by it, the Company will continue as a going concern, i.e., continuation of its operations and ability to discharge its liabilities and realise its assets, for the foreseeable future, despite impact of COVID-19 in the short term and factors which continue to evolve and are therefore highly dependent on future circumstances.

Our opinion is not modified in respect of this matter.

### **Management's Responsibility for the Statement**

This Statement, which includes the Standalone Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Standalone Financial Results for the year ended March 31, 2020, has been compiled from the related audited Standalone financial statements. This responsibility includes the preparation and presentation of the Standalone Financial Results for the quarter and year ended March 31, 2020 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors are responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.







**Auditor's Responsibility**

**(a) Audit of the Standalone Financial Results for the year ended March 31, 2020**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results for the year ended March 31, 2020 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 this Standalone Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (i) Identify and assess the risks of material misstatement of the Annual Standalone Financial Results, 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.
- (ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- (iv) Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- (v) Conclude on the appropriateness of the Board of Directors' 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 ability of the Company 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 Statement 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.
- (vi) Evaluate the overall presentation, structure and content of the Annual Standalone Financial Results, including the disclosures, and whether the Annual Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.





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- (vii) Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the Company to express an opinion on the Annual Standalone Financial Results.

Materiality is the magnitude of misstatements in the Annual Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Standalone Financial Results 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 Annual Standalone Financial Results.

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.

### (b) Review of the Standalone Financial Results for the quarter ended March 31, 2020

We conducted our review of the Standalone Financial Results for the quarter ended March 31, 2020 in accordance with the Standard on Review Engagements ("SRE") 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SAs specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Other Matters

The Statement includes the results for the Quarter ended March 31, 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report on the Statement is not modified in respect of this matter.

For **Deepak Mehta & Associates**

Chartered Accountants

(FRN : 102239W)

**(Deepak Mehta)**

Proprietor

'M. No. 44141



UDIN :- 20044141AAAABA5793

Mumbai

July 30, 2020

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# Deepak Mehta & Associates

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### INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL CONSOLIDATED FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS

To the Board of Directors  
**Kanani Industries Limited**  
Mumbai.

#### Opinion and Conclusion

We have (a) audited the Consolidated Financial Results for the year ended March 31, 2020 and (b) reviewed the Consolidated Financial Results for the quarter ended March 31, 2020 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Consolidated Financial Results for the Quarter and Year Ended March 31, 2020" of **KANANI INDUSTRIES LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), ("the Statement") being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

#### **(a) Opinion on Annual Consolidated Financial Results**

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the audit reports of the other auditors on separate financial statements of subsidiary referred to in Other Matters section below, the Consolidated Financial Results for the year ended March 31, 2020:

- (i) includes the results of the entity viz . KIL International Limited
- (ii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated net profit and consolidated total comprehensive income and other financial information of the Group for the year ended March 31, 2020.

#### **(b) Conclusion on Unaudited Consolidated Financial Results for the quarter ended March 31, 2020**

With respect to the Consolidated Financial Results for the quarter ended March 31, 2020, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below and based on the consideration of the audit reports for the year ended on March 31, 2020 of the other auditors referred to in Other Matters section below, nothing has come to our attention that causes us to believe that the Consolidated Financial Results for the quarter ended March 31, 2020, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.





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### **Basis for Opinion on the Audited Consolidated Financial Results for the year ended March 31, 2020**

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results for the year ended March 31, 2020 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion.

### **Management's Responsibility for the Statement**

This Statement, which includes the Consolidated Financial Results is the responsibility of the Parent's Board of Directors and has been approved by them for the issuance. The Consolidated Financial Results for the year ended March 31, 2020, has been compiled from the related audited consolidated financial statements. This responsibility includes the preparation and presentation of the Consolidated Financial Results for the quarter and year ended March 31, 2020 that give a true and fair view of the consolidated net profit and consolidated other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of this Consolidated Financial Results by the Directors of the Parent, as aforesaid.

In preparing the Consolidated Financial Results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.





# Deepak Mehta & Associates

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### Auditor's Responsibility

#### (a) **Audit of the Consolidated Financial Results for the year ended March 31, 2020**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results for the year ended March 31, 2020 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 this Consolidated Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (i) Identify and assess the risks of material misstatement of the Annual Consolidated Financial Results, 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.
- (ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- (iv) Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- (v) Conclude on the appropriateness of the Board of Directors' 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 ability of the Group 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 Consolidated Financial Results 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 Group to cease to continue as a going concern.
- (vi) Evaluate the overall presentation, structure and content of the Annual Consolidated Financial Results, including the disclosures, and whether the Annual Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.





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- (vii) Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations to the extent applicable.
- (viii) Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the entities within the Group to express an opinion on the Annual Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Annual Consolidated Financial Results of which we are the independent auditors. For the other entities included in the Annual Consolidated Financial Results, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Annual Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Consolidated Financial Results 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 Annual Consolidated Financial Results.

We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Results of which we are the independent auditors 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.

**(b) Review of the Consolidated Financial Results for the quarter ended March 31, 2020**

We conducted our review of the Consolidated Financial Results for the quarter ended March 31, 2020 in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SA specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The Statement includes the results of the entities as listed under paragraph (a)(i) of Opinion and Conclusion section above.

As part of our annual audit we also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.





# Deepak Mehta & Associates

## Chartered Accountants

### Other Matters

The Statement includes the results for the Quarter ended March 31, 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report is not modified in respect of this matter.

We did not audit the financial statements of one subsidiary included in the consolidated financial results, whose financial statements reflect total assets of Rs. 8,405.97 lacs as at March 31, 2020 and total revenues of Rs. 29092.72 lacs for the year ended March 31, 2020, total net profit after tax of Rs. 199.58 lacs for the year ended March 31, 2020 and total comprehensive income of Rs. 199.58 lacs for the year ended March 31, 2020 and net cash flows (net) of Rs. 26.72 lacs for the year ended March 31, 2020, as considered in the Statement. These financial statements have been audited, by other auditors whose reports have been furnished to us by the Management and our opinion and conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above.

Our report on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

For **Deepak Mehta & Associates**

Chartered Accountants  
(FRN : 102239W)

**(Deepak Mehta)**

Proprietor

M. No. 44141

UDIN: 20044141AAAABB8944

Mumbai

July 30, 2020

