



2018

2019

36th Annual Report

KANANI INDUSTRIES LIMITED

www.kananiindustries.com

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○ Comparative Analysis of last 3 years Results

(₹ in Lakhs)

Particular	For the year ended on 31.03.2019	For the year ended on 31.03.2018	For the year ended on 31.03.2017
Net Sales	8312.78	7924.02	7872.47
Other Income	1.27	141.47	226.40
Total Income	8314.06	8065.49	8098.87
Expenditure	8142.27	7906.67	7946.35
PBIT	171.79	158.82	152.52
Interest	75.00	100.50	94.94
Depreciation	26.04	8.53	9.13
PBT	70.74	49.79	48.45
Tax	14.00	9.50	9.37
PAT	56.74	40.29	39.08
Net Profit	56.74	40.29	39.08
Basic & Diluted EPS (₹)	0.06	0.04	0.04
Dividend Paid / Proposed (In %)	–	–	–
Equity Capital	989.34	989.34	989.34
Reserves & Surplus	3223.23	3166.49	3126.20
Net worth	4212.57	4155.83	4115.54
Book Value per share (₹)	4.26	4.20	4.16
Operating Profit Margin (%)	2.07%	2.00%	1.94%
Net Profit Margin (%)	0.68%	0.51%	0.50%
Basic & Diluted Cash EPS (₹)	0.06	0.04	0.04

○ General Information

BOARD OF DIRECTORS:	PREMJIBHAI D. KANANI HARSHIL P. KANANI AMI D. JARIWALA TEJAS M. CHOKSI KAUTILBHAI P. PATEL	CHAIRMAN, WHOLE-TIME DIRECTOR MANAGING DIRECTOR INDEPENDENT DIRECTOR INDEPENDENT DIRECTOR INDEPENDENT DIRECTOR
COMPANY SECRETARY & COMPLIANCE OFFICER:	MEHUL S. KUNDARIYA	
CHIEF FINANCIAL OFFICER:	DARSHAK A. PANDYA	
STATUTORY AUDITORS:	DEEPAK MEHTA & ASSOCIATES CHARTERED ACCOUNTANT A/202-203, MAHENDRA APARTMENT, KULUPWADI ROAD, BORILVALI (E), MUMBAI – 400066, MAHARASHTRA, INDIA TEL.: +91-22-40069903 E-Mail: brainunique@rediffmail.com	
BANKERS:	DENA BANK STATE BANK OF INDIA STANDARD CHARTERED BANK CANARA BANK	
REGISTERED OFFICE:	915C, THE CAPITAL, G-BLOCK, BANDRA KURLA COMPLEX, BANDRA (EAST), MUMBAI - 400051, MAHARASHTRA, INDIA TEL: +91-22-4005 0222 E-Mail: info@kananiindustries.com Website: www.kananiindustries.com	
FACTORY:	PLOT NO. 42, SURAT SPECIAL ECONOMIC ZONE, NEAR SACHIN RLY. STN. SACHIN, DIST: - SURAT, GUJARAT, INDIA TEL: +91-261-321 5152 E-Mail: info@kananiindustries.com	
REGISTRAR AND SHARE TRANSFER AGENT:	M/S. SHAREX DYNAMIC (INDIA) PRIVATE LIMITED C-101, 247 PARK, L.B.S. MARG, VIKHROLI (WEST), MUMBAI - 400083, MAHARASHTRA, INDIA TEL. : 022 – 28515606 / 5644 • FAX NO. 022 - 2851 2885 Email : support@sharexindia.com Website : www.sharexindia.com	

○ Notice

Notice is hereby given that the 36th Annual General Meeting of the Members of **Kanani Industries Limited** will be held at **Krishna Palace Residency Hotel, 96/98, Grant Road, Mumbai – 400007, Maharashtra, India** on **Monday, 30th September, 2019** at **10:00 A.M. (IST)** to transact the following businesses:

Ordinary Business:

1. Adoption of Financial Statements:

To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the year ended March 31, 2019 together with the Reports of the Board of Directors and Auditor's thereon.

2. Appointment of Mr. Harshil Premjibhai Kanani as director liable to retire by rotation:

To appoint a Director in place of Mr. Harshil Premjibhai Kanani (*DIN: 01568262*), who retires by rotation and being eligible, offers himself for re-appointment.

"RESOLVED THAT pursuant to the provisions of Section 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, the approval of the members of the Company be, and is hereby accorded to the re-appointment of Mr. Harshil Premjibhai Kanani (*DIN: 01568262*) as a Director, to the extent that he is required to retire by rotation."

3. Ratify the appointment of M/s. Deepak Mehta & Associates, Chartered Accountants (Firm Registration No. 102239W) as statutory auditors of the Company:

To ratify the appointment of M/s. Deepak Mehta & Associates, Chartered Accountants (Firm Registration no.102239W) as statutory auditors of the Company and to fix their remuneration and to pass the following resolution as an ordinary resolution thereof:

"RESOLVED THAT pursuant to the provisions of Sections 139 and 142 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the Audit Committee and pursuant to the resolution passed by the members at the 33rd AGM held on 26th September 2016, the appointment of M/s. Deepak Mehta & Associates, Chartered Accountants (Firm Registration no. 102239W) as the statutory auditors of the Company to hold office till the conclusion of the fifth consecutive AGM to be held in the financial year 2021, is hereby ratified on a remuneration of Rs. 1,25,000/- plus applicable taxes and reimbursement of out-of-pocket expenses incurred by them in connection with the audit of the accounts of the Company for the financial year 2019-20."

On Order of the Board
For: Kanani Industries Limited

HARSHIL KANANI
MANAGING DIRECTOR
(DIN : 01568262)

Place: Mumbai
Date: 14/08/2019

Registered Office:

915C, The Capital, G-Block,
Bandra Kurla Complex,
Bandra (East), Mumbai - 400051,
Maharashtra, India

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The proxy form should be lodged with the Company at its Registered Office at least 48 hours before the commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. A proxy shall not have a right to speak at the AGM and shall not be entitled to vote except on poll.
3. The Register of Members and Share Transfer Books of the Company will remain closed from **Tuesday, September 24, 2019 to Monday, September 30, 2019** (both days inclusive).
4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
5. Members who hold shares in electronic form are requested to write their Client ID and DP ID number and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting to facilitate identification of membership at the AGM.
6. For convenience of members, an attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto. Members are requested to affix their signature at the space provided and hand over the attendance slip at the place of meeting. The proxy of a member should mark on the attendance slip as 'proxy'.
7. All documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours on all days except Sunday & public holidays between 11.00 a.m. to 1.00 p.m. up to the date of Annual General Meeting.
8. The Annual Report 2018-19, the Notice of the 36th AGM and instructions for e-voting, along with the Attendance slip and Proxy form, are being sent by electronic mode to all the members whose email address are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by permitted mode of dispatch.
9. Members may also note that the Notice of the 36th AGM and the Annual Report 2018-19 will be available on the Company's website, www.kananiindustries.com.
10. If the members have any queries on the audited accounts, directors' report & auditor's report, the same should be forwarded to the company in writing at its registered office at least 10 days before the meeting so that the same can be replied at the time of annual general meeting to the members' satisfaction.
11. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by members.
12. The Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
13. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the directors seeking appointment/re-appointment at the AGM, is furnished as annexure to the Notice. The directors have furnished consent / declaration for their appointment / re-appointment as required under the Companies Act, 2013 and the Rules thereunder.
14. The Company is providing facility for voting by electronic means (e-voting) through an electronic voting system which will include remote e-voting as prescribed by the Companies (Management and Administration) Amendment Rules, 2015 as presently in force and the business set out in the Notice will be transacted through such voting.
15. Members are requested to bring their copies of the reports to Annual General Meeting.
16. Members holding shares in the same set of names under different ledger folios are requested to apply for consolidation of such folios along with share certificates to the Company.
17. Members are requested to promptly notify any changes in their addresses to the Company at its Registered Office.
18. The voting rights of the Members shall be in proportion to their share in the paid up equity share capital of the Company as on the cut off date i.e. September 23, 2019.
19. The Company is providing facility for voting by electronic means (e-voting) through an electronic voting system which will include remote e-voting as prescribed by the Companies (Management and Administration) Amendment Rules, 2015 as presently in force and the business set out in the Notice will be transacted through such voting.

KANANI INDUSTRIES LIMITED

20. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Income Tax Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or its Registrar and Share Transfer Agents.
21. In order to exercise strict control over the transfer documents, members are requested to send the transfer documents/ correspondence, if any, directly to:

SHAREX DYNAMIC (INDIA) PRIVATE LIMITED
Unit: KANANI INDUSTRIES LIMITED
C-101, 247 Park, L.B.S. Marg, Vikhroli (West),
Mumbai - 400083, Maharashtra, India
Tel. : 022 – 28515606 / 5644 • Fax No. 022 - 2851 2885
Email : support@sharexindia.com
Website : www.sharexindia.com

Instructions for Voting through electronics means:

In compliance with Regulation 44, SEBI Listing Obligation and Disclosure Requirements, 2015, provisions of Section 108 and other applicable provisions of the Companies Act, 2013, and read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 36th Annual General Meeting (AGM) by electronic means ("e-Voting") and the items of business as detailed in this Notice may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).

The Members may cast their votes through E-voting from a place other than the venue of the AGM ("**Remote E-voting**").

The Members who have cast their vote by Remote E-voting may also attend the Meeting but shall not be entitled to cast their vote again.

The Remote E-voting facility will commence from 09.00 AM (IST) on Friday 27th September, 2019 and will end at 05.00 PM (IST) on Sunday, 29th September, 2019. Remote E-voting will not be allowed beyond the aforesaid date and time and the Remote E-voting module shall be disabled by CDSL upon expiry of aforesaid period.

Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member / beneficial owner as on the **cut off date i.e. September 23, 2019.**

The Members, whose names appear in the Register of Members / list of beneficial owners as on the cut-off date i.e. Monday, September 23, 2019 only shall be entitled to vote on the Resolutions set out in this Notice.

The Board of Directors at their meeting held on August 14, 2019, has appointed Mr. Deep Shukla, Practicing Company Secretary (*Membership No. FCS 5652*) as the Scrutinizer to scrutinize the E-voting process and voting done through physical ballot paper at the AGM in a fair and transparent manner.

The Scrutinizer shall, after scrutinizing the votes cast at the AGM and through Remote E-voting, not later than 2 (*Two*) days from the conclusion of the AGM make a consolidated Scrutinizer's report and submit the same to the Chairman of the Meeting.

The results declared along with the Scrutinizer's Report shall be placed on the website of the Company www.kananiindustries.com and on the website of CDSL and shall also be communicated to BSE Limited and NSE Limited.

Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM.

The instructions for e-voting are as under:

- i. The voting period begins on **Friday 27th September, 2019 and will end at 05.00 PM (IST) on Sunday, 29th September, 2019**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **Monday, September 23, 2019**, may cast their vote electronically.
- ii. The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
- iii. Click on "Shareholders" tab.
- iv. Now, select the "**KANANI INDUSTRIES LIMITED**" from the drop down menu and click on "SUBMIT"
- v. Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- viii. If you are a first time user, follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Rajesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded details with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank Details field.

- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN for the relevant KANANI INDUSTRIES LIMITED on which you choose to vote.
- xiii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xviii. If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix. Note for Institutional Shareholders & Custodians:
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- xxi. The voting rights of the members shall be in proportion to their of paid-up equity share capital of the Company as on relevant date **Monday, September 23, 2019**.

ROAD MAP



ANNEXURE TO NOTICE**Details of Directors seeking appointment / re-appointment at the Annual General Meeting****[In pursuance of Clause 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015]**

Name of Director	Mr. Harshil Kanani
Date of Birth	22/12/1983
Actual date of Appointment	28/07/2007
A brief resume of the director	Wide experience in the Gems & Jewellery industry and has been associated with the Company for last 12 years.
Expertise in Specific Functional Area	Gems & Jewellery industry
Directorships held in other listed companies (As on March 31, 2019)	Nil
Chairmanships/ Memberships of the Committees of the Board of Directors of other listed companies (As on March 31, 2019)	Nil
Shareholding of Directors (As on March 31, 2019)	6,29,47,500
Relationship between Directors inter-se	Son of Chairman

○ Directors' Report

To
The Members
KANANI INDUSTRIES LIMITED

Your Directors have pleasure in presenting their 36th Annual Report on the Standalone and Consolidated Audited Statement of Accounts of Kanani Industries Limited [*"the Company"*] for the Financial Year ended March 31, 2019.

FINANCIAL RESULTS

The summarized financial performance of the Company for the FY 2018-19 and FY 2017-18 is given below:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2018-2019	2017-2018	2018-2019	2017-2018
Revenue from operations	8,312.78	7,924.02	34,413.84	38,559.63
Other Income	1.27	141.47	1.28	117.47
Total Revenue	8,314.05	8,065.48	34,415.12	38,677.10
Total Expenses	8,243.31	8,015.69	34,181.07	38,606.83
Profit/(Loss) before exceptional and extraordinary items and tax	70.74	49.79	234.05	70.27
Exceptional Items	–	–	–	–
Extraordinary Items	–	–	–	–
Net Profit Before Tax	70.74	49.79	234.05	70.27
Provision for Tax				
– Current Tax	14.00	9.50	16.12	13.57
– Deferred Tax (Liability)/Assets	–	–	–	–
– Excess/(short) provision for earlier years	–	–	–	–
Net Profit After Tax	56.24	40.29	217.92	56.69
Profit/(Loss) from Discontinued operations	–	–	–	–
Tax Expense of Discontinued operations	–	–	–	–
Profit/(Loss) from Discontinued operations (after tax)	–	–	–	–
Profit/(Loss) for the period	56.24	40.29	217.92	56.69
Other Comprehensive Income				
– Items that will not be reclassified to profit or loss	–	–	–	–
– Income tax relating to items that will not be reclassified to profit or loss	–	–	–	–
– Items that will be reclassified to profit or loss	–	–	–	–
– Income tax relating to items that will be reclassified to profit or loss	–	–	–	–
Total Comprehensive income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)	56.24	40.29	217.92	56.69
Earnings per equity share (<i>for continuing operation</i>):				
– Basic (In ₹)	0.06	0.04	0.22	0.06
– Diluted (In ₹)	0.06	0.04	0.22	0.06

Review of Operations

Standalone:

During the year under review, the Standalone total Income was ₹ **8,314.05 lacs** as against ₹ **8,065.48 lacs** for the corresponding previous year.

Total Comprehensive income for the period was ₹ **56.24 lacs** as against ₹ **40.29 lacs** in the corresponding previous year.