



# KANANI INDUSTRIES LIMITED

CIN : L51900MH1983PLC029598

June 30, 2021

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> June, 2021.**

We enclose herewith the audited standalone and consolidated financial results of the Company for the quarter and year ended 31<sup>st</sup> March, 2021, 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> June, 2021.

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 27th 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:

1. Approved the appointment of M/s Deep Shukla & Associates, Company Secretaries, to conduct Secretarial Audit of the Company for a period of 5 years i.e For F.Y. 2020-21 to F.Y. 2025-26;


The meeting of Board of Directors held today commenced at 2.30 PM and concluded at 4.10 PM.

Kindly take the note of the above.

Thanking You,

Yours faithfully,

For KANANI INDUSTRIES LIMITED

  
HARSHIL KANANI  
MANAGING DIRECTOR  
DIN: 01568262

Encl: as above



**Regd. Office :**

915/C, The Capital, G-Block,  
Bandra Kurla Complex, Bandra (E),  
Mumbai, Maharashtra - 400051  
Tel. : +91 22 4005 0222 | 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/YEAR ENDED 31 ST MARCH, 2021

(Rs. in lacs)

Particulars	Quarter Ended			Year Ended	
	31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
	Audited*	Unaudited	Audited*	Audited	Audited
1 Revenue from Operation	2,227.33	1,689.26	1,576.04	7,716.52	8,563.56
2 Other Income	41.51	24.26	63.76	91.11	65.69
<b>3 Total Income (1+2)</b>	<b>2,268.83</b>	<b>1,713.51</b>	<b>1,639.80</b>	<b>7,807.63</b>	<b>8,629.24</b>
<b>4 Expenses:</b>					
(1) Cost of Raw Material Consumed	1,463.08	1,885.26	2,186.21	6,646.59	8,872.56
(2) Purchase of Stock-in-trade	-	-	-	-	-
(3) Changes in inventories of finished goods, Work-in progress and stock-in trade	693.83	(257.61)	(677.59)	708.47	(689.85)
(4) Employee Benefit Expenses	11.82	11.93	12.04	47.38	47.69
(5) Finance Cost	32.37	14.22	23.91	113.91	81.34
(6) Depreciation & amortisation Expenses	2.42	2.35	3.55	9.32	13.86
(7) Other Expenses	52.85	51.30	78.90	229.44	231.14
<b>Total Expenses (4)</b>	<b>2,256.37</b>	<b>1,707.45</b>	<b>1,627.02</b>	<b>7,755.11</b>	<b>8,556.75</b>
<b>5 Total Profit before Exceptional Items and tax (3-4)</b>	<b>12.46</b>	<b>6.07</b>	<b>12.77</b>	<b>52.52</b>	<b>72.49</b>
6 Exceptional Items	-	-	-	-	-
<b>7 Total Profit before before Tax (5-6)</b>	<b>12.46</b>	<b>6.07</b>	<b>12.77</b>	<b>52.52</b>	<b>72.49</b>
<b>8 Tax Expenses</b>					
Current Tax	1.94	0.95	2.18	8.19	11.50
Tax for Earlier Year	-	-	4.37	-	4.37
<b>9 Net Profit (Loss) for the period from continuing operations (7-8)</b>	<b>10.52</b>	<b>5.12</b>	<b>6.22</b>	<b>44.33</b>	<b>56.62</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>10.52</b>	<b>5.12</b>	<b>6.22</b>	<b>44.33</b>	<b>56.62</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>10.52</b>	<b>5.12</b>	<b>6.22</b>	<b>44.33</b>	<b>56.62</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>3,324.19</b>	<b>3,279.86</b>
<b>18 Earnings per equity shre (for continuing operation):</b>					
1 Basic	0.01	0.01	0.01	0.04	0.06
2 Diluted	0.01	0.01	0.01	0.04	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	0.04	0.06
2 Diluted	0.01	0.01	0.01	0.04	0.06





# KANAANI INDUSTRIES LIMITED

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

CIN NO. L51900MH1983PLC029598

WEBSITE: www.kanaaniindustries.com

STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULT FOR THE QUARTER/YEAR ENDED 31 ST MARCH, 2021

(Rs. in lacs)

Particulars	Quarter Ended			Year Ended	
	31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
	Audited*	Unaudited	Audited*	Audited	Audited
1 Revenue from Operation	8,764.49	8,429.05	10,295.93	31,157.60	37,656.28
2 Other Income	41.51	24.26	63.76	91.11	65.69
<b>3 Total Income (1+2)</b>	<b>8,805.99</b>	<b>8,453.30</b>	<b>10,359.69</b>	<b>31,248.71</b>	<b>37,721.97</b>
<b>4 Expenses:</b>					
(1) Cost of Raw Material Consumed	1,463.08	1,885.26	2,186.21	6,646.59	8,872.56
(2) Purchase of Stock-in-trade	6,466.27	6,965.78	8,683.66	23,090.15	28,643.20
(3) Changes in inventories of finished goods, Work-in progress and stock-in trade	736.83	(517.85)	(740.31)	956.74	(545.35)
(4) Employee Benefit Expenses	25.20	25.05	(8.25)	100.40	99.16
(5) Finance Cost	32.37	14.22	24.11	113.91	88.41
(6) Depreciation & amortisation Expenses	2.42	2.35	3.55	9.32	13.86
(7) Other Expenses	64.91	63.94	93.53	277.12	275.63
<b>Total Expenses (4)</b>	<b>8,791.09</b>	<b>8,438.75</b>	<b>10,242.50</b>	<b>31,194.22</b>	<b>37,447.47</b>
<b>5 Total Profit before Exceptional Items and tax (3-4)</b>	<b>14.91</b>	<b>14.55</b>	<b>117.19</b>	<b>54.49</b>	<b>274.49</b>
6 Exceptional Items	-	-	-	-	-
<b>7 Total Profit before before Tax (5-6)</b>	<b>14.91</b>	<b>14.55</b>	<b>117.19</b>	<b>54.49</b>	<b>274.49</b>
<b>8 Tax Expenses</b>					
Current Tax	1.71	2.38	2.68	10.57	13.92
Tax for Earlier Year	-	-	4.37	-	4.37
<b>9 Net Profit (Loss) for the period from continuing operations (7-8)</b>	<b>13.20</b>	<b>12.17</b>	<b>110.15</b>	<b>43.92</b>	<b>256.20</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>13.20</b>	<b>12.17</b>	<b>110.15</b>	<b>43.92</b>	<b>256.20</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>13.20</b>	<b>12.17</b>	<b>110.15</b>	<b>43.92</b>	<b>256.20</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>4,656.06</b>	<b>4,660.64</b>
<b>18 Earnings per equity shre (for continuing operation):</b>					
1 Basic	0.01	0.01	0.11	0.04	0.26
2 Diluted	0.01	0.01	0.11	0.04	0.26
<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	0.11	0.04	0.26
2 Diluted	0.01	0.01	0.11	0.04	0.26



**KANANI INDUSTRIES LIMITED**

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CIN NO. L51900MH1983PLC029598

WEBSITE: www.kananiindustries.com

STANDALONE &amp; CONSOLIDATED AUDITED STATEMENT OF ASSETS AND LIABILITIES AS ON 31 ST MARCH, 2021

(Rs. In lacs)

Particulars	STANDALONE		CONSOLIDATED	
	Year Ended		Year Ended	
	31.03.2021 Audited	31.03.2020 Audited	31.03.2021 Audited	31.03.2020 Audited
<b>ASSETS</b>				
<b>1 Non-current assets</b>				
(a) Property, Plant and Equipment	32.30	41.62	32.30	41.62
(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	2133.59	2133.59	-	-
(ii) Trade Receivable	-	-	-	-
(iii) Loans	-	-	-	-
(iv) Others	-	-	-	-
(i) Deferred Tax Assets	-	-	-	-
(j) Other Non-current Assets	0.21	0.21	2.49	2.54
<b>Total Non-Current Assets</b>	<b>2,166.10</b>	<b>2,175.42</b>	<b>34.79</b>	<b>44.16</b>
<b>2 Current assets</b>				
(a) Inventories	447.92	1393.01	1878.59	3071.94
(b) <u>Financial Asstes</u>				
(i) Investments	-	-	-	-
(ii) Trade Receivable	5540.30	5229.77	10931.59	11905.02
(iii) Cash & Cash Equivalents	403.13	376.65	415.98	426.09
(iv) Bank Balance other than (iii) above	-	-	-	-
(v) Loans	-	-	-	-
(vi) Others	31.22	14.39	31.22	14.39
(C) Current Tax Assets (Net)	-	-	-	-
(d) Other Current Assets	56.23	23.88	56.23	23.88
<b>Total Current Assets</b>	<b>6,478.80</b>	<b>7,037.69</b>	<b>13,313.60</b>	<b>15,441.32</b>
<b>TOTAL ASSETS</b>	<b>8,644.90</b>	<b>9,213.11</b>	<b>13,348.39</b>	<b>15,485.48</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	3,324.19	3,279.86	4656.06	4660.64
<b>LIABILITIES</b>				
<b>1 Non Current Liabilities</b>				
(a) <u>Financial Liabilities</u>				
(i) Borrowings	217.95	439.15	217.95	439.15
(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>4,531.48</b>	<b>4,708.35</b>	<b>5,863.35</b>	<b>6,089.13</b>
<b>2 Current Liabilities</b>				
(a) <u>Financial Liabilities</u>				
(i) Borrowings	2,000.00	2,088.97	2000.00	2088.97
(ii) Trade Payables	2,093.26	2,391.92	5460.50	7279.05
(iii) Other Financial Liabilities (Other than those specified in item (C))	-	-	-	-
(b) Other Current Liabilities	20.17	23.87	22.16	25.91
(C) Provision	-	-	2.38	2.42
(d) Current Tax Liabilities (Net)	-	-	-	-
<b>Total Current Liabilities</b>	<b>4,113.42</b>	<b>4,504.76</b>	<b>7,485.04</b>	<b>9,396.36</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>8,644.90</b>	<b>9,213.11</b>	<b>13,348.39</b>	<b>15,485.48</b>



**KANANI INDUSTRIES LIMITED**

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CIN NO. L51900MH1983PLC029598

WEBSITE: www.kananiindustries.com

STANDALONE &amp; CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 ST MARCH, 2021

(Rs. In lacs)

Particulars	STANDALONE		CONSOLIDATED	
	Year Ended		Year Ended	
	31.03.2021 Audited	31.03.2020 Audited	31.03.2021 Audited	31.03.2020 Audited
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net profit before tax and extra-ordinary items	52.52	72.49	54.49	274.49
<u>Adjustments for :</u>				
Depreciation	9.32	13.86	9.32	13.86
Foreign currency translation reserve	-	-	(48.50)	136.71
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES :</b>	<b>61.84</b>	<b>86.35</b>	<b>15.31</b>	<b>425.06</b>
<u>Adjustments for :</u>				
Trade receivables	(310.53)	(489.35)	973.44	(1,045.84)
Other receivables	(49.18)	46.76	(49.12)	46.56
Inventories	945.08	(177.17)	1,193.35	(32.67)
Trade Payables & Other Liabilities	(300.15)	471.76	(1,820.09)	1,231.01
<b>CASH GENERATED FROM OPERATIONS</b>	<b>347.06</b>	<b>(61.65)</b>	<b>312.89</b>	<b>624.13</b>
Direct taxes paid	(10.40)	(5.64)	(12.83)	(7.76)
Income tax refund	-	-	-	-
<b>Net cash from operating activities</b>	<b>336.65</b>	<b>(67.28)</b>	<b>300.06</b>	<b>616.37</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Purchase of property, plant and equipment	-	-	-	-
<b>Net cash used in investment activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Proceeds/(Repayment) of Short Term Borrowings	(88.97)	(411.03)	(88.97)	(1,067.96)
Proceeds/(Repayment) of Long-Term Borrowings	(221.20)	(141.70)	(221.20)	(141.70)
<b>Net cash used in financing activities</b>	<b>(310.17)</b>	<b>(552.73)</b>	<b>(310.17)</b>	<b>(1,209.66)</b>
<b>Net Increase / (Decrease) in cash and cash equivalents</b>	<b>26.48</b>	<b>(620.01)</b>	<b>(10.11)</b>	<b>(593.29)</b>
Opening balance of Cash & cash equivalents	376.65	996.66	426.09	1,019.38
Closing balance of Cash & cash equivalents	403.13	376.65	415.98	426.09

**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
- The above standalone & consolidated unaudited financial results of the Company have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 30 th June, 2021.
- \* The figures for the quarter ended 31st March, 2021 and 31st March, 2020 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 has taken into account the possible impacts of COVID-19 in preparation of the financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenues and on costs. The Company based on its judgements, estimates and assumptions expects to fully recover the carrying amount of receivables, goodwill, intangible assets, investments. For this purpose, the Company considered internal and external sources of information up to the date of approval of these financial results. The Company has been able to effectively manage the operations till now with appropriate safety precautions, but the operations were negligible and this quarter results is showing a downward trend due to impact of COVID-19 on the business. The actual impact of COVID-19 in coming quarters may be different from that of this quarter, depending on how the situation evolves globally. The Company will continue to closely monitor any material changes to future economic conditions.
- The Company has only one reportable segment.
- The results for the quarter/year ended March 31, 2021 are available on the on the website of the Company at www.kananiindustries.com and on the websites of the Stock Exchanges viz. www.bseindia.com and www.nseindia.com.

For &amp; On Behalf of Board of Directors



Mr. Harshil P. Kanani  
Managing Director  
DIN NO: 01568262

Place : Mumbai  
Date : 30/06/2021



# 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, 2021 contains **unmodified opinion for both i.e. "Standalone Financial Statements" as well as for "Consolidated Financial Statements"** 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: 30<sup>th</sup> June, 2021

### Regd. Office :

915/C, The Capital, G-Block,  
Bandra Kurla Complex, Bandra (E),  
Mumbai, Maharashtra - 400051  
Tel. : +91 22 4005 0222 | 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 Audited Quarterly Financial Results and Year to Date Results of the company Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

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

**Opinion**

1. We have audited the accompanying statement of financial results of Kanani Industries Limited (the 'company') for quarter and year ended 31st March, 2021 (the 'statement'), attached herewith, being submitted by the Company Pursuant to the requirement of Regulations 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (Listing Regulations).
2. In our opinion and to the best of our information and according to the explanations given to us, the statement:
  - i. is presented in accordance with the requirements of Listing Regulations in this regard; and
  - ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian accounting standards and other accounting principles generally accepted in India, of the net loss and total comprehensive income and other financial information for the quarter and year ended 31st March, 2021.

**Basis of Opinion**

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those SAs are further described in the "Auditor's Responsibilities for the Audit of the Financial Results" 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 results 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 Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

4. 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.





# Deepak Mehta & Associates

## Chartered Accountants

### Independent Auditor's Report on Audited Quarterly Financial Results and Year to Date Results of the company Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

#### Management's Responsibilities for the Financial Results

5. The statement has been prepared on the basis of the financial statements. The Company's Board of Directors are responsible for the preparation and presentation of these financial results 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 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 and 52 of the Listing Regulations. 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 financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the 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.
7. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Results

8. Our objectives are to obtain reasonable assurance about whether the financial results 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 these financial results.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - a. Identify and assess the risks of material misstatement of the 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.







# Deepak Mehta & Associates

## Chartered Accountants

### Independent Auditor's Report on Audited Quarterly Financial Results and Year to Date Results of the company Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

9. b. 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 through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial results made by the Board of Directors.
- d. 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 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 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 Company to cease to continue as a going concern.
- e. Evaluate the overall presentation, structure and content of the financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.
10. 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.
11. 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.

#### Other matters

12. The Statement includes the results for the quarter ended 31st March, 2021 being the balancing figures between the audited figures in respect of full financial year ended 31st March, 2021 and the published unaudited year to date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For **Deepak Mehta & Associates**  
Chartered Accountants  
FRN : 102239W

(Deepak Mehta)  
Proprietor  
M.No. : 44141



Mumbai,  
June 30, 2021

UDIN : 21044141AAAACN7386



# Deepak Mehta & Associates

## Chartered Accountants

**Independent Auditor's Report On Audit Of Annual Consolidated Financial Results And Review Of Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).**

**To Board of Directors of Kanani Industries Ltd  
Mumbai,**

### **Opinion and Conclusion**

- 1 We have (a) audited the Consolidated Financial Results for the year ended March 31, 2021 and (b) reviewed the Consolidated Financial Results for the quarter ended March 31, 2021 (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, 2021 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 the Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing
- 2 In our opinion and to the best of our information and according to the explanations given to us the Statement:
  - i. includes the annual financial results of KIL International Limited
  - ii. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
  - iii. give a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder and other accounting principles generally accepted in India, of the consolidated net profit after tax and other comprehensive income and other financial information of the Group, for the year ended 31 March 2021.

### **Basis for Opinion**

- 3 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 SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Results 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 results 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.





# Deepak Mehta & Associates

## Chartered Accountants

**Independent Auditor's Report On Audit Of Annual Consolidated Financial Results And Review Of Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (Cont'd)**

### **Responsibilities of Management and Those Charged with Governance for the Statement**

- 4 The Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual audited financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit or loss after tax and other comprehensive income, and other financial information of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS 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/management of the companies included in the Group, are responsible for maintenance of adequate accounting records in accordance with the provision of the Act, for safeguarding of the assets of the Group, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 resentation of financial results, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose o preparation of the Statement by the Directors of the Holding Company, as aforesaid.
- 5 In preparing the Statement, the respective management and the Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 management and the Board of Directors/ management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
- 6 The respective Board of Directors of the companies included in the Group are responsible for overseeing the Company's financial reporting process of the Group

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

- 7 Our objectives are to obtain reasonable assurance about whether the consolidated financial results 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 these financial results.
- 8 As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



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# Deepak Mehta & Associates

## Chartered Accountants

**Independent Auditor's Report On Audit Of Annual Consolidated Financial Results And Review Of Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (Cont'd)**

i. Identify and assess the risks of material misstatement of the 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. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls

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

iv. 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 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 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.

v. Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

vi. Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within Group, to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, which have been audited by 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.

9 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

10 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





# Deepak Mehta & Associates

## Chartered Accountants

### Independent Auditor's Report On Audit Of Annual Consolidated Financial Results And Review Of Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (Cont'd)

11 We also performed procedures in accordance with SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, to the extent applicable.

#### Other Matters

12 The Statement includes the results for the Quarter ended March 31, 2021 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.

13 We did not audit the financial statements of one subsidiary included in the consolidated financial results, whose financial statements reflect total assets of Rs. 6837.07 lakhs. As at March 31, 2021 and total revenues of Rs. 23441.08 lakhs for the year ended March 31, 2021 total net profit after tax of Rs. (0.41) lakhs for the year ended March 31, 2021 and total comprehensive income of Rs. (0.41) lakhs for the year ended March 31, 2021 and net cash flows (net) of Rs. (36.59) lakhs for the year ended March 31, 2021, 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 amount 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

14 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



Mumbai,  
June 30, 2021

UDIN : 21044141AAAACO5430