

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



KANEL INDUSTRIES LTD.

Date: May 27, 2024

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

Dear Sir/Madam,

Sub: Approval of Audited Standalone Financial Results of the Company for the quarter and year ended on 31st March, 2024.

Ref: Scrip Code: 500236 (Kanel Industries Limited)

Pursuant to Regulation 33 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the Audited Standalone Financial Results of the Company for the quarter and year ended on 31st March, 2024 along with the Audit Report on the said Audited Standalone Financial Results of the Company.

We hereby declare that Pursuant to the SEBI Circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016, there is unmodified opinion with respect to the Annual Audited Standalone Financial Results for the quarter and Year ended March 31, 2024.

Please take the same on your records.

Thanking You,

Yours faithfully,

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

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



Independent Auditor's Report (*Modified Opinion - Adverse Opinion*) on Audited standalone Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF

KANEL INDUSTRIES LTD
203/ABHIJEET BUILDINGS NEAR,
MITHAKHALI 6 ROAD,
ELLISSBRIDGE,
AHMEDABAD-380006

Report on the audit of the Standalone Financial Results

Adverse Opinion

I have audited the accompanying standalone quarterly financial result of **KANEL INDUSTRIES LTD** (the company) for the quarter ended **31st March, 2024** and the year-to-date results for the period from **01st April, 2023 to 31st March, 2024**, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In my opinion and to the best of our information and according to the explanations given to me these standalone financial results, because of the omission of the information mentioned in the Basis for Adverse Opinion paragraph

- i. are not presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. does not give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit/loss and other comprehensive income and other financial information for the quarter ended 31st March, 2024 as well as the year-to-date results for the period from 01st April, 2023 to 31st March, 2024.

Basis for Adverse Opinion

I conducted my 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 the *Auditor's Responsibilities for the Audit of the Standalone Financial Results* section of our report. I am 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 Companies Act, 2013 and the Rules there under, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained are sufficient and appropriate to provide a basis for my adverse opinion as stated in the report.



MSMED ACT COMPLIANCES

I have not been provided with classification of creditors and as per management representation all creditors are other than registered under MSMED Act. Thus in absence of clear audit evidence in this regard I am unable to determine the delay in making payment to MSME entities, liability of interest and compliance on such delayed payments in terms of provisions of MSMED Act, if any.

GOING CONCERN:

The Naroda Unit has been inoperative since last many years. Plant and Machinery at Naroda Unit became scrap and sold out as a scrap during last year (as mentioned in audit report of last financial year) Company has no Trading activities/ Manufacturing activities during the year under audit, majority Financial indicators and operating indicators remained negative and to the date of Audit report and in absence of formal developments for financial support there is substantial doubt that it will be able to continue as a going concern even though the books of accounts of the Company has been prepared on the assumption of a Going Concern basis. In this situation, adjustments may be required to the recorded assets amounts at current value and classification of liabilities is required.

National Company Law Tribunal; Ahmedabad Bench has admitted the application of Corporate Insolvency Resolution Process (CIRP) under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC) in the matter of M/s Ardent Ventures LLP a financial creditor of the company versus M/s Kanel Industries Limited corporate Debtor for the alleged default amounting to Rs. 29,11,77,568/- till 31.07.2021. National Company Law Tribunal; Ahmedabad Bench has admitted the said application and commenced the Corporate Insolvency Resolution Process (CIRP) w.e.f. 03rd December, 2021.

The company has not paid Listing Fees for Ahmedabad, Jaipur and Calcutta stock exchange.

TRADE RECEIVABLE:

Company has not made provision for doubtful Debtors of Rs 291.04 Lacs [Rs 291.04 Lacs] Which are long outstanding and chances for recovery are very less, as per my opinion, these are bad debts, to that extent, Current Assets have been overstated and current years Losses and accumulated losses have been understated.

DOCUMENTS:

Certain documents, registers, etc. including fixed assets register were seized during the search operations as on 5th October, 2001. Such registers were not made available except fixed assets register prepared by management separately to me for inspections, usual verifications and periodical updation.

OTHER CURRENT ASSETS AND LIABILITIES:

Though there is no major movement in the other current assets and liabilities, no concrete evidences are produced before me to determine its accuracy and existence. In absence of clear audit evidence in this regard I am unable to determine existence of rights and liability in respect to other current assets accuracy of the amount stated. The company may or may not be able to realise the amount as stated in other assets. The liability may or may not be



Key Audit Matters

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

Management's Responsibilities for the Standalone Financial Results

These quarterly financial results as well as the year to date standalone financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued there under 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are 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 Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone 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 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:

- Identify and assess the risks of material misstatement of the 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.
- 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 control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- 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.
- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Other Matters

- a. The standalone annual financial results include the results for the quarter ended 31st March, 2024 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us for the quarter ended 30th September, 2023 and 31st December, 2023.
- b. The standalone financial results dealt with by this report have been prepared for the express purpose of filing with the Stock Exchanges on which the Company's shares are listed. These results are based on and should be read with the audited standalone financial statement of the Company for the year ended 31st March, 2024 on which we issued an modified adverse audit opinion wide our report dated 27.05.2024.

As per our attached report of even date
For, N.S. NANAVATI & CO.,
Chartered Accountants
Firm No. 134235W



(CA NITESH NANAVATI)
(Proprietor)

M No: - 143769

UDIN: 24143769BKFPBV5547

Place: Ahmedabad

Date: 27.05.2024

KANEL INDUSTRIES LTD
203/ABHIJEET BUILDINGS NEAR, MITHAKHALI 6 ROAD,
ELLISSBRIDGE, AHMEDABAD-380006
(CIN-L15140GJ1992PLC017024)

(Rs. in Lakhs; Except Face Value of Shares and EPS)

Statement of Audited Financial Results for the Quarter and Year Ended March 31, 2024

Sr. No.	Particulars	Quarter Ended			Year to date	
		31-03-2024	31-12-2023	31-03-2023	31-03-2024	31-03-2023
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Revenue from Operations	-	-	-	-	-
2	Other Income	0.20	-	0.01	0.20	0.28
3	Total Revenue (1 + 2)	0.20	-	0.01	0.20	0.28
4	Expenses:					
	Cost of Materials Consumed	-	-	-	-	-
	Purchases of Stock-in-Trade	-	-	-	-	-
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	-	-	-	-	-
	Employee benefits expense	-	-	0.45	-	1.65
	Finance costs	-	-	-	-	-
	Depreciation and amortisation expense	0.95	-	0.61	2.17	2.44
	Other expenses	24.70	0.02	3.33	25.26	14.02
	Total expenses	25.65	0.02	4.39	27.43	18.11
5	Profit before exceptional and extraordinary items and tax (3 - 4)	(25.45)	(0.02)	(4.38)	(27.23)	(17.83)
6	Exceptional items					
7	Profit before extraordinary items and tax (5 - 6)	(25.45)	(0.02)	(4.38)	(27.23)	(17.83)
8	Extraordinary items					
9	Profit before tax (7 - 8)	(25.45)	(0.02)	(4.38)	(27.23)	(17.83)
10	Tax expense : (a+b+c)	-	-	-	-	-
	(a) Current tax	-	-	-	-	-
	(b) Deferred tax	-	-	-	-	-
	(c) Income Tax for earlier years	-	-	-	-	-
11	Profit for the period from continuing operations (9-10)	(25.45)	(0.02)	(4.38)	(27.23)	(17.83)
12	Profit from discontinuing operations	-	-	-	-	-
13	Tax expense of discontinuing operations	-	-	-	-	-
14	Profit from Discontinuing operations (after tax) (12-13)	-	-	-	-	-
15	Profit for the period (11 + 14)	(25.45)	(0.02)	(4.38)	(27.23)	(17.83)
16	Share of Profit of Associates					
	Minority Interest					
17	Profit for the period (15 + 16)	(25.45)	(0.02)	(4.38)	(27.23)	(17.83)
18	Other Comprehensive Income (Net of Tax)					
19	Total Comprehensive Income (After Tax) (17 + 18)	(25.45)	(0.02)	(4.38)	(27.23)	(17.83)
20	Paid up Equity Share Capital (Face value of Rs. 1/- each)	1841.24	1841.24	1841.24	1841.24	1841.24
	Reserves excluding Revaluation Reserve				(2,577.47)	(2,550.94)
21	Earnings per equity share:					
	(1) Basic	(0.138)	(0.000)	(0.024)	(0.15)	(0.10)
	(2) Diluted	(0.138)	(0.000)	(0.024)	(0.15)	(0.10)

For and on behalf of the Board

Place: Ahmedabad

Date:

PRASHANT PATEL
RESOLUTION PROFESSIONAL
IBBI REGISTRATION NO.: IBBI/IPA-002/IP No. 0827/2019-20/12627

KANEL INDUSTRIES LTD
203/ABHIJEET BUILDINGS NEAR, MITHAKHALI 6 ROAD,
ELLISSBRIDGE, AHMEDABAD-380006
(CIN-L15140GJ1992PLC017024)
STANDALONE BALANCE SHEET AS AT March 31, 2024

All amounts in rupees Unless otherwise stated (Rs. In Lakhs)

Particulars	Notes	As At March 31, 2024	As At March 31, 2023
I. ASSETS			
1 NON-CURRENT ASSETS			
a) Property, Plant and Equipment	1	55.40	57.47
b) Capital Work in Progress			
c) Investment Property			
d) Goodwill			
e) Other Tangible Assets			
f) Biological Assets other than bearer plants			
g) Financial Assets			
i. Investment	2	00.15	00.15
ii. Trade Receivable			
iii. Long Term Loans and Advances			
iv. Other Financial Assets			
h) Deferred tax assets (net)			
i) Other Non-Current Assets			
Total non-current assets		55.55	57.62
2 CURRENT ASSETS			
a) Inventories			
b) Financial Assets			
i. Investment			
ii. Trade Receivables	3	291.04	291.04
iii. Cash and Bank Balances			
a) Cash and Cash Equivalents	4	01.04	01.00
iv. Loans			
c) Current Tax Assets			
d) Other Current Assets (to be specified)	5	179.53	179.53
Total Current Assets		471.61	471.57
TOTAL ASSETS (1 + 2)		527.16	529.19
II EQUITY AND LIABILITIES			
1 EQUITY			
a) Equity Share Capital	6	1841.24	1841.24
b) Other Equity	7	-2578.17	-2550.94
Total Equity		-736.92	-709.69
2 LIABILITIES			
A. NON-CURRENT LIABILITIES			
a) Financial Liabilities			
i. Borrowings	8	1067.07	1061.37
ii. Lease Liabilities			
iii. Trade Payable			
A) Total Outstanding to Micro and Small Enterprise			
B) Total Outstanding to Others			
iv. Other Financial Liability			
b) Provision			
c) Deferred Tax Liability (Net)			
c) Other Non-Current Liability			
Total Non-Current Liabilities (A)		1067.07	1061.37
B. CURRENT LIABILITIES			
a) Financial Liabilities			
i. Borrowings			
ii. Trade and Other Payables	9	110.39	90.64
A) Total Outstanding to Micro and Small Enterprise			
B) Total Outstanding to Others			
iii. Other Current Liabilities	10	86.56	00.00
iv. Provisions	11	00.06	86.88
v. Current Tax Liability (Net)			
Total Current Liabilities (B)		197.01	177.51
Total Liabilities (A + B)		1264.08	1238.89
TOTAL EQUITY AND LIABILITIES (1 + 2)		527.16	529.19

KANEL INDUSTRIES LTD
203/ABHIJEET BUILDINGS NEAR, MITHAKHALI 6 ROAD,
ELLISSBRIDGE, AHMEDABAD-380006
(CIN-L15140GJ1992PLC017024)
Statement of Cash Flows for the year ended on March 31, 2024

All amounts in rupees Unless otherwise stated (Rs. In Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
A Cash Flow From Operating Activities		
Profit (Loss) Before Tax	-27.23	-17.83
Adjustments For:		
Loss on sale of Assets	00.00	
Excess Provision Written Back	00.00	
Depreciation and Amortisation Expenses	02.17	02.44
Finance Income	00.00	
Finance Expense	00.00	
Provision For Doubtful Advances (Net)	00.00	
Operating (Loss) Before Working Capital Changes	-25.06	-15.38
Movements in Working Capital :		
(Increase) in Inventories		
Decrease / (Increase) in Trade Receivables	00.00	00.00
(Increase) in Other Financial Assets		
(Increase) in Other Assets	00.00	00.00
Increase in Trade Payables	19.75	01.25
Increase in Lease Liabilities		
Increase in Other Financial Liabilities	00.00	00.00
Increase in Other Liabilities	-00.26	00.00
Increase in Provision		
(Increase) in Financial Assets		
Cash (used) in operations	-05.56	-14.14
Direct Taxes Paid (Net of Refunds)		
Net Cash Outflow From Operating Activities	-05.56	-14.14
B. Cash Flows From Investing Activities		
Payment for Purchase of Property, Plant and Equipments and Intangible Assets (Including Capital work in progress and Capital Advances)	-00.10	
Proceeds from sale of Assets		
Sale of Investment		
Interest Received		
Net Cash (Outflow) from Investing Activities	-00.10	00.00
C. Cash Flows From Financing Activities		
Increase / (Decrease) in Long Term Advances	05.70	00.00
Increase / (Decrease) in non current liabilities and Provisions		00.00
Repayment of Short-Term Borrowings		-05.60
Proceeds from Issuance of Share Capital		
Interest and Finance Charges Paid	00.00	00.00
Net Cash Inflow from Financing Activities	05.70	-05.60
D. Net Increase in Cash & Cash Equivalents (A + B + C)	00.04	-19.74
E. Cash & Cash Equivalents at the beginning of the year / period	01.00	20.74
F. Cash & Cash Equivalents at the end of the year / period	01.04	01.00
Component of Cash and Cash Equivalents		
Cash on hand		
Balances with Scheduled Bank		
- On Current Accounts	01.04	01.00
- Deposits with original maturity of less than three months		
Cash and Cash Equivalents at the end of the year / period	01.04	01.00

Notes:

(1) The Cash Flow Statement has been prepared under the Indirect method as set out in Ind AS 7 on Cash Flow Statements notified under Section 133 of The Companies Act 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standard) Rules 2015 (as amended).

(2) Disclosure with regards to changes in liabilities arising from Financing activities as set out in Ind AS 7 – Statement of Cash flows is presented under

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KANEL INDUSTRIES LTD.

May 27, 2024

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

Dear Sir/Madam,

DECLARATION

I, Prashant Bharatbhai Patel, Resolution Professional of M/s Kanel Industries Limited having its registered office at 203, Abhijeet Buildng, Near Mithakhali Six Road, Ellisbridge, Ahmedabad 380006, hereby declare that, the Statutory Auditors of the Company, M/s. Bhagat & Co., Chartered Accountants, Ahmedabad have issued an Audit Report with unmodified opinion on audited Standalone financial results for the quarter and year ended on 31st March, 2024.

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

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

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