

33RD ANNUAL REPORT

KANEL INDUSTRIES LIMITED



2024-2025

KANEL INDUSTRIES LIMITED

(33RD) THIRTY THIRD ANNUAL GENERAL MEETING:

DATE: 30TH SEPTEMBER 2025

DAY: TUESDAY

TIME: 09:30 A.M.

VENUE: 1503, WEST PORT, SINDHUBHAVAN ROAD, NR. S.P.RING ROAD, AHMEDABAD-380059, GUJARAT.

NOTE TO SHAREHOLDERS:

As a measure of economy and Green Initiative, copies of the Annual Report will not be distributed at the Annual General Meeting.

➤ **BOARD OF DIRECTORS:**

- Shri Keyoor Bakshi
- Shri Harshit Kachchhi
- Shri Jasmin Doshi
- Shri Bhavin Mehta
- Executive Director & CFO
- Non-Executive Director
- Independent Woman Director
- Independent Director



➤ **Company Secretary:**

- Shri Naresh Kanzariya

➤ **BANKERS OF THE COMPANY:**

- IndusInd Bank Ltd.

➤ **STATUTORY AUDITORS:**

- **M/s. N.S. Nanavati & Co.**
Chartered Accountants,
Ahmedabad.

➤ **SECRETARIAL AUDITOR:**

- **M/s. Malay Desai & Associates**
Practicing Company Secretary
Ahmedabad.

KANEL INDUSTRIES LIMITED

➤ **LISTING AT:**

**The Bombay Stock Exchange Ltd.
Mumbai.**

➤ **REGD. OFFICE:**

1503, Westport, Nr. S.P Ring Road,
Sindhuhavan Road, Ahmedabad -380059.
CIN: L15140GJ1992PLC017024
E-mail: ardent.ind99@gmail.com
Website: www.kanel.in

➤ **REGISTRAR & SHARE TRANSFER AGENT:**

Purva Sharegistry (India) Pvt. Ltd

Unit no. 9 Shiv Shakti Ind. Estt,
J .R. Boricha Marg, Lower Parel (E),
Mumbai, Maharashtra, 400011.
E-mail: support@purvashare.com



KANEL INDUSTRIES LIMITED

NOTICE

NOTICE is hereby given that the 33rd Annual General Meeting of the Members of **KANEL INDUSTRIES LIMITED** will be held on Tuesday 30th September, 2025 at 09:30 a.m. at the Registered office of the Company at 1503, Westport, Sindhubhavan Road, Nr. S.P. Ring Road, Ahmedabad-380059, Gujarat to transact the following business:

ORDINARY BUSINESS:

- 1) To Receive, Consider, Approve and Adopt the Audited Statement of Accounts i.e. The Audited Balance Sheet as at 31st March, 2025, the Profit & Loss Account for the year ended on that date, the report of the Auditors and Directors thereon.**

"RESOLVED THAT the audited standalone financial statements of the Company for the financial year ended March 31, 2025, and the reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."

SPECIAL BUSINESS:

- 2) To regularize appointment Mr. Bhavin Arvindbhai Mehta (DIN: 00023850) as Independent Non Executive Director of the Company, to consider and if thought fit, to pass the following special business as an ordinary resolution:**

"RESOLVED THAT in accordance with the provisions of Section 149, 150 and 152 and other applicable provisions of the Companies Act, 2013, Articles of Association of the Company and rules made thereunder, read with Schedule IV of the Act (including any statutory modification(s) or reenactment(s) thereof, for the time being in force), Mr. Bhavin Arvindbhai Mehta (DIN: 00023850), who was appointed as an Additional Director of the company with effect from 23rd January, 2025 and who has submitted the declaration that he meets the criteria for Independence as provided under the Act and the Listing Regulations, his appointment be and is hereby confirmed as an Independent Director of the Company pursuant to regulation 17(1C) of SEBI (LODR) Regulations 2015 and section 161 of the Companies Act 2013 to hold office for a term of up to 5 (five) years with effect from 23rd January 2025."

- 3) To regularize appointment Ms. Jasmin Jaykumar Doshi (DIN: 08686876) as Independent Non Executive Director of the Company, to consider and if thought fit, to pass the following special business as an ordinary resolution:**

"RESOLVED THAT in accordance with the provisions of Section 149, 150 and 152 and other applicable provisions of the Companies Act, 2013, Articles of Association of the Company and rules made thereunder, read with Schedule IV of the Act (including any statutory modification(s) or reenactment(s) thereof, for the time being in force), Ms. Jasmin Jaykumar Doshi (DIN: 08686876), who was appointed as an Additional Director of the company with effect from 23rd January, 2025 and who has submitted the declaration that he meets the criteria for Independence as provided under the Act and the Listing Regulations, his appointment be and is hereby confirmed as an Independent Director of the Company pursuant to regulation 17(1C) of SEBI (LODR) Regulations 2015 and section 161 of the Companies Act 2013 to hold office for a term of up to 5 (five) years with effect from 23rd January 2025."

KANEL INDUSTRIES LIMITED

4) Alteration of Main Object Clause of the Memorandum of Association of the Company

"RESOLVED THAT pursuant to the provisions of Section 13 of the Companies Act, 2013 ("the Act") including any modification or re-enactment thereof and other applicable provisions and subject to the to the rules framed thereunder, the existing Main Object clause of the Memorandum of Association of the Company be and is hereby altered by deleting the existing clauses III [A] (1), (2) and (3) of the Main Objects and replacing the following new clauses in the Main Objects as clause III [A] (1) and (2):

1. *"To identify, develop, plan, devise, design, promote, set up, execute, own, organise, operate, run, manage, administer, modernise, expand, build, construct, erect, alter, improve, remodel, decorate, furnish, occupy, hold, control, maintain, transfer, buy, sell, lease or let-on-hire all types, kind and forms of any industrial, residential or commercial plots, buildings, structures, projects, plans or ventures in India or anywhere in the world; and to manage, support or render all required services for fulfillment of such objects or implementation and running of such projects, plans or ventures.*
2. *To manufacture, produce, buy, sell, resell, import, export, transport, store, develop, promote, market, supply, trade or deal in any manner whatsoever in all type of foods or consumer, commercial, industrial or house hold products or any other goods or materials on retail as well as on wholesale basis in India or anywhere in the world."*

"RESOLVED FURTHER THAT any of the Directors of the Company of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

5) TO SEEK APPROVAL UNDER SECTION 180(1)(a) OF THE COMPANIES ACT, 2013 INTER ALIA FOR CREATION OF MORTGAGE OR CHARGE ON THE ASSETS, PROPERTIES OR UNDERTAKING(S) OF THE COMPANY

To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 (the "Act") and any other applicable provisions, if any of the Act, or any amendment or modifications thereof and pursuant to the provisions of the Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee thereof which the Board may hereinafter constitute to exercise its powers including the powers conferred by this Resolution) to sell, lease or dispose of in any manner including but not limited to mortgaging, hypothecating, pledging or in any manner creating charge on all or any part of the present and

KANEL INDUSTRIES LIMITED

future moveable or immovable assets or properties of the Company or the whole or any part of the undertaking(s) of the Company of every nature and kind whatsoever (hereinafter referred to as the "Assets") and/or creating a floating charge on the Assets to or in favour of banks, financial institutions, investors, debenture trustees or any other lenders to secure the amount borrowed by the company or any entity which is a subsidiary or associate or group entity, from time to time, for the due re-payment of principal and/or together with interest, charges, costs, expenses and all other monies payable by the Company or any such entity in respect of the such borrowings provided that the aggregate indebtedness so secured by the assets do not at any time exceed the value of limits approved under Section 180(1)(c) of the Act."

"RESOLVED FURTHER THAT the Board be and is hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary in this regard for and on behalf of the Company, including but not limited to, negotiating and finalizing the terms of sale, lease, creation of security or any other dispositions, filing of necessary forms, returns, applications, submissions under the Act."

6) TO APPROVE THE OVERALL BORROWING LIMITS:

To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company and subject to such other approvals as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors of the Company ('hereinafter referred to as the 'Board', which term shall be deemed to include any Committee thereof which the Board may hereinafter constitute to exercise its powers including the powers conferred by this Resolution') to borrow any sum or sums of money by obtaining loans, deposits, overdraft facilities, lines of credit, commercial papers, convertible/ nonconvertible debentures, external commercial borrowings (loans/bonds), INR denominated offshore bonds or in any other forms from Banks, Financial Institutions, other Bodies Corporate or other eligible investors, from time to time, which, together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) may exceed, at any time, the aggregate of the paid-up share capital and free reserves, provided that the total amount so borrowed by the Board shall not at any time exceed Rs. 30,00,00,000/- (Rupees Thirty Crores only) or equivalent amount in any other foreign currency.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, director and key managerial personnel of the Company be and are hereby severally authorized to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to the above resolution."

7) TO INCREASE IN THRESHOLD OF LOANS/ GUARANTEES, PROVIDING OF SECURITIES AND MAKING OF INVESTMENTS IN SECURITIES:

To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution:**

KANEL INDUSTRIES LIMITED

“RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 and Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and in supersession of all the earlier resolutions passed in this regard, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise its powers, including the powers conferred by this Resolution) to (a) give any loan to any person or partnership or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other person or partnership or body corporate; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate from time to time in one or more tranches as the Board of Directors as in their absolute discretion deem beneficial and in the interest of the Company, for an amount not exceeding Rs. 50,00,00,000/- (Rupees Fifty Crores Only), notwithstanding that such investments or outstanding loans given or to be given and guarantees and/or security provided may collectively exceed the limits prescribed under Section 186 of the Companies Act, 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to take from time to time all decisions and such steps as may be necessary for giving loans, guarantees or providing securities or for making such investments and to execute such documents, deeds, writings, papers and/or agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion, deem fit; necessary or appropriate.”

8) TO APPROVAL TO ADVANCE ANY LOAN/GIVE GUARANTEE/PROVIDE SECURITY:

“RESOLVED THAT pursuant to the provisions of Section 185 and other applicable provisions, if any of the Companies Act, 2013 (“Act”) (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions as may be necessary, approval of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise its powers, including the powers conferred by this Resolution), for giving loan(s) in one or more tranches including loan represented by way of book debt (the “Loan”) to, and/or giving of guarantee(s), and/or providing of security(ies) in connection with any Loan taken/to be taken by any entity which is a Subsidiary or Associate or Joint Venture or group entity of the Company or any other person in which any of the Directors of the Company is deemed to be interested as specified in the explanation to sub-section 2 of section 185 of the Act (collectively referred to as the “Entities”), of an aggregate amount not exceeding Rs. 50,00,00,000/- (Rupees Fifty Crores Only) for the financial year 2025-26, in its absolute discretion deem beneficial and in the best interest of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to negotiate, finalise and agree to the terms and conditions of the aforesaid Loans / Guarantees / Securities, and to take all necessary steps, to execute all such documents, instruments and writings and to do all necessary acts, deeds and things in order to comply with all the legal and procedural formalities and to do all such acts, deeds or things incidental or expedient thereto and as the Board may think fit and suitable.”

KANEL INDUSTRIES LIMITED

9) TO APPROVE RELATED PARTY TRANSACTIONS:

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any of the Companies Act, 2013 (“Act”), read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014) and Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), including any statutory modification(s) or re-enactment thereof for the time being in force and subject to such approvals, consents, sanctions and permissions as may be necessary, approval of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise its powers, including the powers conferred by this Resolution) to enter into contract(s)/ arrangement(s)/ transaction(s) with parties as detailed in the table(s) forming part of the Explanatory Statement annexed to this notice with respect to sale, purchase or supply of goods or materials, leasing of property of any kind, availing or rendering of any services including the providing and/or receiving of loans or guarantees or securities or making investments, or any other transactions of whatever nature, notwithstanding that such transactions may exceed 10% of the Consolidated Turnover of the Company in any financial year or such other threshold limits as may be specified by the Listing Regulations from time to time, up to such extent and on such terms and conditions as the Board of Directors may deem fit, in the normal course of business and on arm’s length basis, within the aggregate limits specified in the Explanatory Statement annexed to this Notice during the period of three years commencing from 1st October, 2025 as mentioned therein.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties that may arise with regard to any transaction with the related party and execute such agreements, documents and writings and to make such filings as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company.”

10) TO RE-APPOINT SECRETARIAL AUDITOR:

To consider and if thought fit, approve the appointment of M/s. Malay Desai & Associates, Practicing Company Secretaries as the Secretarial Auditors of the Company for a term of 5 (five) consecutive years and to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof), and pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the Members be and is hereby accorded for the reappointment of Mr. Malay Desai, Proprietor of M/s. Malay Desai & Associates, Practicing Company Secretary (Membership No.: A48838; COP No.: 26051), as the Secretarial Auditor of the Company for a term of five financial years commencing from Financial Year 2025-26 up to Financial Year 2029-30, for conducting

KANEL INDUSTRIES LIMITED

- a) Secretarial Audit under Section 204 of the Companies Act, 2013;
- b) Issuance of Annual Secretarial Compliance Report under Regulation 24A of SEBI (LODR) Regulations, 2015; and
- c) Issuance of Reconciliation of Share Capital Audit Report under Regulation 76 of the SEBI (Depositories and Participants) Regulations, 2018

on such terms and remuneration as may be mutually agreed upon by the Board of Directors of the Company and Mr. Malay Desai.

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) or the Company Secretary be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary or expedient to give effect to this resolution.”

Registered Office:

1503, Westport, Sindhubhavan Road, Nr. S.P.
Ring Road, Ahmedabad-380059, Gujarat.

**By order of the Board,
For, Kanel Industries Limited**

Date: September 04, 2025

Place: Ahmedabad

**Sd/-
Naresh Kanzariya
Company Secretary
(Mem. No. ACS 60683)**



NOTES:

In view of the outbreak of the COVID- 19 pandemic, Ministry of Home Affairs has from time to time through various circulars and guidelines has clearly indicated the precautions to be taken if there is a social gathering to stop the spread of novel coronavirus. We assure that we have proper arrangements and precautions being taken at the venue of AGM. There is sufficient space so that social distancing of shareholders attending the meeting can be maintained. Further precaution will be taken that none of the attendees will be allowed to the venue without the use of masks and hand sanitizers. In addition to that health checkups will be done of the attendees so as to protect the spread of any kind of disease.

- 1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy so appointed need not be a member of the company.
- 2) Proxies in order to be effective must be received at the Company's Registered Office not less than 48 hours before the meeting. Proxies submitted on behalf of limited companies, societies, Trusts, etc., must be backed by appropriate resolution / authority as applicable, issued on behalf of the nominating organization.
- 3) A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single

KANEL INDUSTRIES LIMITED

person as proxy and such person shall not act as a proxy for any other person or shareholder.

- 4) In compliance with the provisions of Section 108 of the Companies Act and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, and in terms of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Including any Statutory Modification or re-enactment thereof for the time being in force), the Company is providing e-Voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically. The instructions for e-voting are enclosed herewith.
- 5) Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
- 6) **The Register of members and share transfer books of the Company shall remain closed from Wednesday 24th September, 2025 to Tuesday 30th September, 2025 (Both days inclusive).**
- 7) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is enclosed herewith.
- 8) Members desiring any information on accounts are requested to write to the company 7 days before the meeting to enable the management to keep the information ready.
- 9) Shareholders holding shares in physical form are requested to advise any change of address immediately to Company's Registrar and Share Transfer Agent, **Purva Shareregistry (India) Pvt. Ltd**, Unit no. 9 Shiv Shakti Ind. Estt, J .R. Boricha Marg, Lower Parel (E), Mumbai, Maharashtra, 400011. Shareholders holding shares in electronic form must advise to their respective depository participants about change in address and not to company.
- 10) All shareholders are requested to dematerialize their shareholding immediately as Securities and Exchange Board of India (SEBI) has mandated the transfer of shares only in demat mode.
- 11) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the 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's Registrar and Share Transfer Agent, **Purva Shareregistry (India) Pvt. Ltd**, Unit no. 9 Shiv Shakti Ind. Estt, J .R. Boricha Marg, Lower Parel (E), Mumbai, Maharashtra, 400011.
- 12) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10:00 am to 5:00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
- 13) The Notice of the Annual General Meeting and Annual Report of the Company for the year ended **31st March, 2025** is uploaded on the Company's website www.kanel.in and may be accessed by the members.

KANEL INDUSTRIES LIMITED

- 14) Members are requested to register their email IDs with the Company and encourage paper free communications. The Company would send its annual reports and other communications to the members on their registered email IDs. The shareholders may register their email IDs with the Company's Registrar and Share Transfer Agent, **Purva Shareregistry (India) Pvt. Ltd**, Unit no. 9 Shiv Shakti Ind. Estt, J .R. Boricha Marg, Lower Parel (E), Mumbai, Maharashtra, 400011.
- 15) Electronic copy of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same.

16) Voting through electronic means:

In terms of the provisions of Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing to the members facility of voting by electronic means in respect of businesses to be transacted at the Meeting which includes remote e-voting (i.e. voting electronically from a place other than the venue of the Meeting). The Company also proposes to provide the option of voting by means of poll paper at the venue of Meeting in addition to the remote electronic voting mentioned above. The Company has engaged the services of National Securities Depository Limited (NSDL) for facilitating voting by electronic means.

The facility for voting through poll paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote. The voting rights of Members shall be in the proportion of their shareholding in the Company as on Cut-off Date.

The Company has appointed Mr. Malay Truptesh Desai of M/s. Malay Desai & Associates, Practicing Company Secretary, Ahmedabad, as the Scrutinizer, to scrutinize the entire voting process including remote e-Voting in a fair and transparent manner.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:

The remote e-voting period begins on Saturday, 27th September 2025 at 09:00 a.m. and ends on Monday, 29th September 2025 at 05:00 p.m. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Tuesday September 23, 2025, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Tuesday September 23, 2025.

- (i) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (ii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders'

KANEL INDUSTRIES LIMITED

resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.





- (iii) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:



Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none">1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab.2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.3. If the user is not registered for Easi/Easiest, option to register is available at cdsi website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account.

KANEL INDUSTRIES LIMITED

	<p>After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with NSDL Depository	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p> <p>4) Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div><p>NSDL Mobile App is available on</p><div> App Store</div><div> Google Play</div><div></div><div></div></div> <p>5) For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile</p>

KANEL INDUSTRIES LIMITED

	number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL



Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at : 022 - 4886 7000 and 022 - 2499 7000


Step 2 : Access through PURVA e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**
 - 1) The shareholders should log on to the e-voting website <https://evoting.purvashare.com>.
 - 2) Click on "Shareholder/Member" module.
 - 3) Now enter your User ID:

KANEL INDUSTRIES LIMITED

- a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter EVENT Number followed by Folio Number registered with the company. For example if folio number is 001*** and EVENT is 8 then user ID is 8001***
- 4) If you are holding shares in demat form and had logged on to www.evotingindia.com or www.evoting.nsdl.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 5) If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none">Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none">If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- 
- (i) After entering these details appropriately, click on “SUBMIT” tab.
 - (ii) Shareholders holding shares in physical form will then directly reach the Company selection screen.
 - (iii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (iv) Click on the EVENT NO. for the relevant <Company Name> on which you choose to vote.
 - (v) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO/ABSTAIN” for voting. Select the option YES or NO or ABSTAIN as desired. The option YES implies that you assent to the Resolution, option NO implies that you dissent to the Resolution and option ABSTAIN implies that you are not voting either for or against the Resolution.
 - (vi) Click on the “NOTICE FILE LINK” if you wish to view the Notice.

KANEL INDUSTRIES LIMITED

- (vii) 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.
- (viii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (ix) **Facility for Non – Individual Shareholders and Custodians – Remote Voting**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <https://evoting.purvashare.com> and register themselves in the “Custodians / Mutual Fund” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to evoting@purvashare.com.
 - After receiving the login details a 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.
 - 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.
 - Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; ardent.ind99@gmail.com , if they have voted from individual tab & not uploaded same in the Purva e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the Purva e-Voting System, you can write an email to evoting@purvashare.com or contact at 022-49614132 and 022-35220056.

All grievances connected with the facility for voting by electronic means may be addressed to Ms. Deepali Dhuri, Compliance Officer, Purva Sharegistry (India) Private Limited, Unit No. 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel (East), Mumbai - 400011 or send an email to evoting@purvashare.com or contact at 022- 022-49614132 and 022-35220056.

General Instructions:

- a. The Scrutinizer shall within a period not exceeding two (2) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.

KANEL INDUSTRIES LIMITED

- b. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.kanel.in within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item: 2

Information about the directors who are proposed to be appointed/ re-appointed at the **33rd Annual General Meeting** as per regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 Secretarial Standard on general meetings issued by the Institute of Company Secretaries of India forming part of the notice convening the annual general meeting of the company.

Particulars	Mr. Bhavin Arvindbhai Mehta
Director Identification Number.	00023850
Date of Birth	02/09/1976
Educational Qualification.	Company Secretary
Business field in which Experience.	Professional/Business
Date of Initial Appointment	23.01.2025
Date of Appointment as Director in the Current Term.	23.01.2025
Directorship held in any other Company.	MJP Associates Private Limited
Member of any Committees of the Directors in the Company.	Audit Committee Nomination & Remuneration Committee Stakeholders Relationship Committee
Member of any committees of the Directors in other Companies with names of the Company.	Nil
Member of any Trade Association/ Charitable Organization/ NGOs etc.	Nil
Shareholding in Company	Nil
Remuneration paid or sought to be paid	Nil
Relationship with other Directors/KMPs	Nil
No. of meetings attended during the year	3

None of the directors or key managerial persons of the Company or their relatives except Mr. Bhavin Mehta are deemed to be concerned or interested in the said resolution.

The Board recommends the Resolution set out at Item No. 2 of the notice for approval by the members

KANEL INDUSTRIES LIMITED

Item: 3

Information about the directors who are proposed to be appointed/ re-appointed at the **33rd Annual General Meeting** as per regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 Secretarial Standard on general meetings issued by the Institute of Company Secretaries of India forming part of the notice convening the annual general meeting of the company.

Particulars	Ms. Jasmin Jaykumar Doshi
Director Identification Number.	08686876
Date of Birth	10/01/1989
Educational Qualification.	Company Secretary
Business field in which Experience.	Professional/Business
Date of Initial Appointment	23.01.2025
Date of Appointment as Director in the Current Term.	23.01.2025
Directorship held in any other Company.	VMS TMT Limited Italia ceramics Limited Innovative Tyers & Tubes Limited TGB Banquets & Hotels Limited
Member of any Committees of the Directors in the Company.	Audit Committee Nomination & Remuneration Committee Stakeholders Relationship Committee
Member of any committees of the Directors in other Companies with names of the Company.	Nil
Member of any Trade Association/ Charitable Organization/ NGOs etc.	Nil
Shareholding in Company	Nil
Remuneration paid or sought to be paid	Nil
Relationship with other Directors/KMPs	Nil
No. of meetings attended during the year	3

None of the directors or key managerial persons of the Company or their relatives except Ms. Jasmin Doshi are deemed to be concerned or interested in the said resolution.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the notice for approval by the members

Item: 4

The Company was earlier engaged in the business of Edible and Non-Edible Oil However, in the recent past, the Company did not perform well and underwent insolvency resolution. The Board of Directors of the Company propose to engage in other viable new business. It is therefore proposed to

KANEL INDUSTRIES LIMITED

amend the main Objects of the Company by deleting the existing clauses and inserting the following new clauses in place of the same:

1. *"To identify, develop, plan, devise, design, promote, set up, execute, own, organise, operate, run, manage, administer, modernise, expand, build, construct, erect, alter, improve, remodel, decorate, furnish, occupy, hold, control, maintain, transfer, buy, sell, lease or let-on-hire all types, kind and forms of any industrial, residential or commercial plots, buildings, structures, projects, plans or ventures in India or anywhere in the world; and to manage, support or render all required services for fulfillment of such objects or implementation and running of such projects, plans or ventures.*
2. *To carry on the business of manufacture, produce, buy, sell, resell, import, export, transport, store, develop, promote, market, supply, trade or otherwise deal in any manner whatsoever in all type of foods or consumer, commercial, industrial or house hold products or any other goods or materials on retail as well as on wholesale basis in India or anywhere in the world."*

The proposed change in the Object Clause will enable the Company to diversify its business operations, explore new revenue streams, and enhance shareholder value.

None of the directors or key managerial persons of the Company or their relatives are deemed to be concerned or interested in the said resolution.

The Board recommends the Resolution set out at Item No. 4 of the notice for approval by the members.

Item: 5 & 6:

Keeping in view the Company's long term strategic and business objectives, the Company may need additional funds. For this purpose, the Company may, from time to time, raise finance from various Banks and/or Financial Institutions and/ or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) may exceed the aggregate of the paid-up capital and free reserves of the Company. Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any time except with the consent of the members of the Company in a general meeting.

In order to facilitate securing the borrowing made by the Company, it would be necessary to create charge on the assets or whole or part of the undertaking of the Company. The Board of Directors also seek approval to sell, lease or dispose of all or any properties of the Company, if found feasible which would enable the Company to deploy the proceeds out of such sale, lease or disposal for any other profitable business. Section 180(1)(a) of the Companies Act, 2013 provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the approval of members in the General Meeting.

KANEL INDUSTRIES LIMITED

None of the directors or key managerial persons of the Company or their relatives are deemed to be concerned or interested in the said resolution. Except granting of loans etc. to the entities, where they Interested.

The above proposal is in the interest of the Company and the Board recommends the Resolution as set out at Item No. 5 & 6 for approval by the members of the Company

Item: 7:

In order to make optimum use of funds available with the Company and also to achieve long term strategic and business objectives, the Board of Directors of the Company proposes to make use of the same by making investment in other bodies corporate or granting loans, giving guarantee or providing security to other persons or other body corporate as and when required. Members may note that pursuant to Section 186 of the Companies Act, 2013 ("Act"), the Company can give loan or give any guarantee or provide security in connection with a loan to any other body corporate or person and acquire securities of any other body corporate, in excess of 60% of its paid up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more, with approval of Members by special resolution passed at the general meeting In view of the aforesaid, it is proposed to take approval under Section 186 of the Companies Act, 2013, by way of special resolution, up to a limit of Rs. 50 Crores, as proposed in the Notice.

None of the directors or key managerial persons of the Company or their relatives except Mr. Keyoor Bakshi and Mr. Harshit Kachchhi are deemed to be concerned or interested in the said resolution. Mr. Keyoor Bakshi and Mr. Harshit Kachchhi would be interested in the resolution to the extent of granting of loans etc. to or making investment in the entities where they Interested.

The above proposal is in the interest of the Company and the Board recommends the Resolution as set out at Item No. 7 for approval by the members of the Company

Item: 8:

Pursuant to Section 185 of the Companies Act, 2013 ("the Act"), a Company may advance any loan including any loan represented by book debt, or give any guarantee or provide any security in connection with any loan taken by any entity (said entity(ies) covered under the category of 'a person in whom any of the director of the Company is interested' as specified in the explanation to Section 185(2)(b) of the Companies Act, 2013, after passing a Special Resolution in the general meeting. It is proposed to make loan(s) including loan represented by way of Book Debt to, and/or give guarantee(s) and/or provide security(ies) in connection with any loan taken/to be taken by the Subsidiary Companies or Associate or Joint Venture or group entity or any other person in whom any of the Director of the Company is deemed to be interested as specified in the explanation to Section 185(2)(b) of the Act (collectively referred to as the "Entities"), from time to time, for the purpose of capital expenditure of the projects and/or working capital requirements including purchase of fixed assets as may be required from time to time for its principal business activities and other matters connected and incidental thereto, within the limits as mentioned in the Item no. 7 of the notice.

The members may note that Board of Directors would carefully evaluate the proposals and provide

KANEL INDUSTRIES LIMITED

such loan, guarantee or security through deployment of funds out of internal resources/accruals and/or any other appropriate sources, from time to time, and the proposed loan shall be at such rate of interest as agreed by the parties in the best interest of the Company and shall be used by the borrowing company for its principal business activities only.

None of the directors or key managerial persons of the Company or their relatives except Mr. Keyoor Bakshi and Mr. Harshit Kachchhi are deemed to be concerned or interested in the said resolution. Mr. Keyoor Bakshi and Mr. Harshit Kachchhi would be interested in the resolution to the extent of granting of loans etc. to the entities where they Interested.

The Board of Directors recommend the resolution set forth in Item no. 8 of the notice for your approval as a Special Resolution.

Item: 9:

Pursuant to the provisions of Section 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, the Related Party Transactions as mentioned in clause (a) to (g) of the said section requires a Company to obtain approval of the Board of Directors and subsequently the Shareholders of the Company by way of ordinary resolution in case the value of the Related Party Transactions exceed the stipulated thresholds prescribed in Rule 15 of the said Rules and transactions other than in ordinary course of business and on arm's length basis.

The details of the Related Party Transactions as required under the Section 188 of the Companies Act, 2013 & the Companies (Meeting of Board and its Powers) Rules; Regulation 23 of the SEBI (LODR Regulations, 2015; and the SEBI Master Circular No.:- SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11th July, 2023 proposed to be entered in to during the period of three years commencing from 1st October, 2025 are given in the following Table:-

Sr.	Name of Related Party	Nature of Relationship (including nature of interest, financial or otherwise)	Aggregate maximum value of the contract/ arrangement/ transaction (Rs. in Crores)	Nature and material terms of contract/ arrangement/ transaction
1	Liladhari Agrind Pvt. Ltd.	Group/ Associate Company	300	Purchase or Sale of Goods
2	Ardent Avenues Ltd.	Group/ Associate Company	25	Granting/ Availing Loans

The Board of Directors of the Company recommends the Resolution set out at Item No. 9 to the Notice as an Ordinary Resolution, for your approval.

None of the directors or key managerial persons of the Company or their relatives except Mr. Keyoor Bakshi and Mr. Harshit Kachchhi are deemed to be concerned or interested in the said resolution. Mr. Keyoor Bakshi and Mr. Harshit Kachchhi, being the directors and promoters of both the above two companies are interested in the said resolution.

KANEL INDUSTRIES LIMITED

Item: 10:

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 ("SEBI Listing Regulations"), on the basis of recommendation of Board of Directors, the Company shall appoint or re-appoint an individual as Secretarial Auditor for not more than one term of five consecutive years; or a Secretarial Audit firm as Secretarial Auditor for not more than two terms of five consecutive years, with the approval of the shareholders in Annual General Meeting ("AGM").

Based on the recommendation of the Audit Committee, the Board of Directors has approved the appointment of M/s. Malay Desai & Associates ("Malay Desai"), Company Secretaries in Practice, (Peer Review Number:6426/2025), as the Secretarial Auditors of the Company for a period of five consecutive financial years from 2025-26 to 2029-30. The appointment is subject to shareholders' approval at the AGM. While recommending Malay Desai for appointment, the Audit Committee and the Board based on past audit experience of the audit firm particularly in auditing large companies, valued various factors, including the firm's capability to handle a diverse and complex business environment, its existing experience in the various business segments, the clientele it serves, and its technical expertise.

Pursuant to Regulation 36(5) of SEBI Listing Regulations as amended, the credentials and terms of appointment of Malay Desai are as under:

Malay Desai stands as one of the renowned firm of practicing Company Secretaries, having excellence in compliance and governance. The firm's broad and comprehensive practice areas reflect its deep expertise across various domains, including corporate laws, capital market transactions, listing compliances, due diligence, and compliance & governance audits.

This extensive knowledge enables Malay Desai to be a trusted partner for businesses navigating intricate legal and regulatory landscapes. Dedicated to excellence and a client-centric philosophy, Malay Desai offers tailored solutions within these diverse practice areas, ensuring clients achieve their business goals efficiently and effectively

None of the directors or key managerial persons of the Company or their relatives are deemed to be concerned or interested in the said resolution.

The Board recommends the Ordinary Resolution set out at Item No. 10 of the notice for approval by the members

Registered Office:

1503, Westport, Sindhubhavan Road, Nr. S.P.
Ring Road, Ahmedabad-380059, Gujarat.

Date: September 04, 2025

Place: Ahmedabad

**By order of the Board,
For, Kanel Industries Limited**

**Sd/-
Naresh Kanzariya
Company Secretary
(Mem. No. ACS 60683)**

KANEL INDUSTRIES LIMITED

BOARD OF DIRECTORS' REPORT

To,
The Members,
Kanel Industries Limited,
Ahmedabad

Your directors have pleasure in presenting the 33rd Annual Report of the Company together with the Audited Statements of Accounts for the year ended March 31, 2025.

1. FINANCIAL RESULTS:

The Company's financial performance for the year under review along with previous year's figures is given hereunder:

(Amount In Lakhs)		
PARTICULARS	FOR THE YEAR ENDED ON 31.03.2025	FOR THE YEAR ENDED ON 31.03.2024
Net Income from Business Operations	Nil	Nil
Other Income	0.51	0.20
Total Income	0.51	0.20
Profit / (loss) before depreciation & tax	(5.03)	(29.04)
Less Depreciation	1.08	2.17
Profit before Tax	(6.11)	(27.23)
Less Tax Expenses:	0	0
Net Profit after Tax	(5.60)	(27.23)

2. STATE OF AFFAIRS:

The Company is engaged in the business of trading of various edible oils. There has been no change in the business of the Company during the financial year ended 31st March, 2025.

The highlights of the Company's performance are as under:

- Revenue from operations - Nil.
- Loss for the year ended 31.03.2025 is Rs. 5.60 Lakhs against the Loss of Rs. 27.23 Lakhs in the previous year.

3. SHARE CAPITAL:

As on 31.03.2025 the paid-up Equity Share capital of the Company is Rs. 15,75,00,000/-.

During the year under review, the company has neither issued any shares with or without differential voting rights nor granted any stock Option nor any sweat Equity Shares.

4. DIVIDEND:

In absence of adequate profits, Dividend is not recommended for the financial year ended on 31.03.2025.

5. RESERVES:

The Board of Directors transferred the entire amount of losses to the Reserves & Surplus.

KANEL INDUSTRIES LIMITED

6. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

7. DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES:

The Company does not have any Holding, Subsidiary, Joint Venture or Associate Company.

8. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which these financial statements relate on the date of this report.

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are annexed as Annexure "A".

10. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY:

The Company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the Company. The same has also been adopted by your Board and is also subject to its review from time to time. Risk mitigation process and measures have been also formulated and clearly spelled out in the said policy. The Risk Management policy has been uploaded on the website of the company at www.kanel.in.

11. CORPORATE SOCIAL RESPONSIBILITY (CSR):

The provisions of section 135 of the companies act, 2013 are not applicable to the company considering the net worth, turnover and net profit of the company.

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and the same has been disclosed under the Balance Sheet.

13. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The internal auditor of the company checks and verifies the internal control and monitors them in accordance with policy adopted by the company. The Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

KANEL INDUSTRIES LIMITED

14. STATUTORY AUDITORS:

M/s. N.S. Nanavati & Co., Chartered Accountants, (Firm Registration No. 134235W) was appointed as Statutory Auditor of the Company to hold office from the 31st AGM to the 36th AGM of the company for a term of five years in terms of the first proviso to Section 139 of the Companies Act, 2013.

15. STATUTORY AUDITOR'S REPORT & OBSERVATIONS:

The report of the Statutory Auditors of the Company is annexed herewith.

The auditors have not reported any frauds under sub section 12 of section 143 which are reportable to the Central Government.

There are no qualifications, reservations or adverse remarks made by the Statutory Auditor

16. ANNUAL RETURN:

The Annual Return in Form No.MGT-7 pursuant to the provisions of Section 92 has been placed at website of the Company at www.kanel.in

17. SECRETARIAL AUDITOR:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/S. Malay Desai & Associates, Practicing Company Secretaries, Ahmedabad to undertake the Secretarial Audit of the Company.

18. SECRETARIAL AUDIT REPORT & OBSERVATIONS:

The Secretarial Audit Report of Secretarial Auditor is appended as 'Annexure-B' to this report.

There are no qualifications, reservations or adverse remarks made by the Secretarial Auditor except the following:

1) Company has not appointed internal auditor till 25.10.2024 as specified under the provisions of Section 138 of the Companies Act, 2013 .

Explanation: The company had not appointed any Internal Auditor until the conclusion of the corporate insolvency resolution. However, after approval of the Resolution Plan on 23.10.2024, it has appointed Ms. Disha Kharod as an Internal Auditor of the Company on 25.10.2024.

2) The company has not appointed a qualified company secretary as compliance officer of the company till 23.01.2025

Explanation: The company had not appointed any Company Secretary until the conclusion of the corporate insolvency resolution. However, after approval of the Resolution Plan on 23.10.2024, it has appointed Mr. Naresh Kanzariya as a qualified Company Secretary and Compliance Officer of the Company on 23.01.2025 within three months of the approval of the Resolution Plan.

KANEL INDUSTRIES LIMITED

19. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:

6 (Six) Board Meetings were held after approval of Resolution Plan by the Hon'ble NCLT Ahmedabad Bench on the following dates:

25.10.2024, 30.10.2024, 11.11.2024, 23.01.2025, 14.02.2025, 05.03.2025

20. DIRECTOR RESPONSIBILITY STATEMENT:

Your directors wish to inform that the Audited Accounts containing financial statements for the financial year **2024-25** are in full conformity with the requirements of the Companies Act, 2013. They believe that the financial statement reflect fairly, the form and substance of transactions carried out during the year and reasonably present the Company's financial condition and results of operations.

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility statement:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts on a going concern basis; and
- e. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

21. DEPOSITS:

The company has not invited, accepted or renewed any deposit within the meaning of Chapter V other than exempted deposit as prescribed under the provisions of the Company Act, 2013 and the rules framed thereunder, as amended from time to time. Hence there are no particulars to report about the deposit falling under Rule 8(5)(v) and (vi) of the Companies (Accounts) Rules, 2014.

22. DIRECTORS / KEY MANAGERIAL PERSONNEL:

a. CHANGES IN BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL:

KANEL INDUSTRIES LIMITED

As per approved Resolution Plan by the Hon'ble NCLT Ahmedabad Bench the following change in Board of Directors

Mr. Keyoor Bakshi	Appointment
Mr. Harshit Kachchhi	Appointment
Ms. Kamini Bakshi	Cessation
Mr. Bhavin Mehta	Appointment
Ms. Jasmin Doshi	Appointment
Mr. Naresh Kanjariya	Appointment as a Company Secretary
Mr. Dhiren Thakkar	Cessation
Mr. Hitesh Thakkar	Cessation
Mr. Vikram Ishvarbhai Desai	Cessation
Ms. Asha Desai	Cessation

b. BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, had adopted a formal mechanism for evaluating its own performance and as well as that of its committee and individual Directors, including the chairperson of the Board. The Exercise was carried out through a structured evaluation process covering the various aspects of the Board's functioning such as composition of board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc.

The evaluation of the independent Directors was carried out by Board, except the independent Director being evaluated and the chairperson and the non-independent Directors were carried out by the independent Directors.

c. ANNUAL PERFORMANCE EVALUATION:

During the year under review, pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board has carried out an Annual Performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its various Committees. A separate meeting was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board at its meeting following the meeting of Independent Directors.

d. REMUNERATION POLICY:

The Board has on the recommendation of the Nomination & Remuneration Committee, formulated criteria for determining, qualifications, positive attributes and independence of a director and also a policy for remuneration of directors, key managerial personnel and senior management. The policy is available at the website of company at www.kanel.in

e. DECLARATION BY INDEPENDENT DIRECTORS:

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

KANEL INDUSTRIES LIMITED

23. PARTICULARS OF CONTRACTS WITH RELATED PARTIES:

There were no related party transactions undertaken during the year under the review. The provisions of Section 188 of the Companies Act, 2013 were not attracted. Further, there were no materially significant related party transactions during the year under review made by the Company with Promoters, Directors, or other designated persons which may have a potential conflict with the interest of the Company at large.

24. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE:

There are no Proceeding Pending under the Insolvency and Bankruptcy Code.

25. CORPORATE GOVERNANCE:

Your Company practices a culture that is built on core values and ethical governance practices and is committed to transparency in all its dealings. A Report on Corporate Governance as per the Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report as an **"Annexure-D"**.

26. MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis Report is appended as **Annexure "C"** to this Report.

27. PARTICULARS OF EMPLOYEES:

Disclosure under the provisions of Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

a) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year.

- As the company has not paid any remuneration to the directors for the financial year **2024-25**, the ratio of the remuneration of each director to the median remuneration of the employees is 0.

b) The percentage increase in the remuneration of each director, Chief Executive Officer, Chief Financial Officer and Company Secretary, if any in the financial year.

- During the FY **2024-25** there was nil (0%) increase in the remuneration of MD, CFO, CS and other Non-Executive Directors.

c) The percentage increase in the median remuneration of employees in the financial year.

- Average increase is 0% for the F.Y. **2024-25**.

d) The number of permanent employees on the rolls of the Company as on **31.03.2025**.

- Nil

e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

- Average 0% increase in salaries of Employees and 0% increase in Managerial Remuneration during F.Y. **2024-25**. As there is no increment in remuneration of managerial person during the year, explanation is not required to be given.

KANEL INDUSTRIES LIMITED

f) Affirmation that the remuneration is as per the remuneration policy of the company.
- The Company's remuneration policy is driven by the success of the Company during the year under review. The Company affirms that the remuneration is as per remuneration policy of the Company.

28. COST AUDITORS:

The section 148 read with Companies (Audit & Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 are not applicable to the Company Hence, the Board of Directors of your company had not appointed Cost Auditor for obtaining Cost Compliance Report of the company for the financial year 2024-25.

29. COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS:

The Company has complied with the provisions of Secretarial Standards (I & II) issued by the Institute of Company Secretaries of India and approved by the Central Government under section 118(10) of the Companies Act, 2013.

30. PREVENTION OF INSIDER TRADING:

Your company has adopted the "Code of Conduct on Prohibition of insider trading "and "Code of Conduct for Directors and Senior Management Personnel" for regulating the dissemination of Unpublished Price Sensitive Information and trading in security by insiders.

31. INDUSTRIAL RELATIONS (HUMAN RESOURCES):

During the period under review, the personal and industrial relations with the employees remained cordial in all respects. The management has always carried out systematic appraisal of performance and imparted training at periodic intervals. The Company recognizes talent and has judiciously followed the principle of rewarding performance.

32. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

The Company is committed to provide a safe and conducive work environment to its employees during the year under review. The company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of women at the workplace (Prevention, Prohibition & Redressal) Act, 2013.

Your directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

33. ACKNOWLEDGEMENTS

Your Resolution Professional and directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

Registered Office:

1503, Westport, Sindhubhavan Road, Nr. S.P.
Ring Road, Ahmedabad-380059, Gujarat.

By order of the Board of Kanel Industries Limited

Date: September 04, 2025

Place: Ahmedabad

Sd/-
Keyoor Bakshi
Director & CFO
DIN: 00133588

Sd/-
Harshit Kachchhi
Director
DIN: 08019394

KANEL INDUSTRIES LIMITED

"Annexure A"

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

(Particulars pursuant to the Companies (Accounts) Rules, 2014)

CONSERVATION OF ENERGY

- We continue to strengthen our energy conservation efforts. Inter alia the following steps have been taken to reduce energy consumption:
 - Use of energy efficient devices/motors for running of machineries.
 - Standardization of utility pipelines leading to optimum utilization.
- The process is ongoing and the Engineering team is working on various measures to conserve this scarce resource.

RESEARCH & DEVELOPMENT

- The Company continued its efforts in the area of improvement of quality/process cycle/ product design.
- We continue to focus on product and process improvement and collaborate with product vendors to co-create business solutions on customer specific themes.

TECHNOLOGY ABSORPTION

- Continuous efforts are made with an Objective to achieve productivity, reduction in production cost, reduction in down time for maintenance and curtailment of maintenance cost.
- Various Efforts are made towards technology absorption, adaptation and innovation.

FOREIGN EXCHANGE EARNING AND OUTGO

- Not applicable as no foreign currency transaction is occurred during the year under review.

Registered Office:

1503, Westport, Sindhubhavan Road, Nr. S.P.
Ring Road, Ahmedabad-380059, Gujarat.

By order of the Board of Kanel Industries Limited

Date: September 04, 2025

Place: Ahmedabad

Sd/-
Keyoor Bakshi
Director & CFO
DIN: 00133588

Sd/-
Harshit Kachchhi
Director
DIN: 08019394

KANEL INDUSTRIES LIMITED

Annexure-B FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2025

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Key Managerial Personnel) Rules, 2014]

To,
The Members,
Kanel Industries Limited.
1503, Westport, Sindhubhavan Road,
Nr. S.P. Ring Road,
Ahmedabad-380059, Gujarat.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kanel Industries Limited** (hereinafter called the Company) (CIN: L15140GJ1992PLC017024) having its registered office at 1503, Westport, Sindhubhavan Road, Nr. S.P. Ring Road, Ahmedabad-380059, Gujarat.. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2025** complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Kanel Industries Limited** (the Company) for the financial year ended on **31st March, 2025** according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

KANEL INDUSTRIES LIMITED

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **[Not Applicable to the Company during the Audit Period]**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **[Not Applicable to the Company during the Audit Period]**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **[Not Applicable to the Company during the Audit Period]**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **[Not Applicable to the Company during the Audit Period]**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (w.e.f. 11th September, 2018); **[Not Applicable to the Company during the Audit Period]**
 - (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- VI. We have relied on the representation made by the Company, its Officers and on the reports given by designated professionals for systems and processes formed by the Company to monitor and ensure compliances under other applicable Acts, Laws and Regulations to the Company.
- VII. As declared by the Management, at present there is no law which is specifically applicable to the Company.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under Insolvency Process the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following:

- 1) Company has not appointed internal auditor till 25.10.2024 as specified under the provisions of Section 138 of the Companies Act, 2013 .**
- 3) The company has not appointed a qualified company secretary as compliance officer of the company till 23.01.2025**

KANEL INDUSTRIES LIMITED

We further report that the as per order dated 23rd October, 2024 passed by the Hon'ble NCLT, Ahmedabad Bench approving the Resolution Plan submitted by Ardent Ventures LLP in the matter of Kanel Industries Limited under section 30(6) of Insolvency and Bankruptcy code, 2016.

There were no Board Meetings held during the period of Company under Insolvency Process.

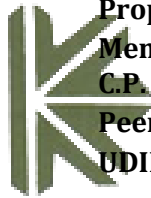
We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Audit period the Company has no specific events/actions having a major bearing on the Companies Affairs in pursuant of the above referred Laws, Rules, Regulations, Guidelines, Standards etc.

Place: Ahmedabad
Date: September 04, 2025

For, Malay Desai & Associates
Company Secretaries

Sd/-
Malay Desai
Proprietor
Membership No: A48838
C.P. No.: 26051
Peer Review No.: 6426/2025
UDIN: A048838G001166781



KANEL INDUSTRIES LIMITED

ANNEXURE - A to the Secretarial Audit Report

To,
The Members,
Kanel Industries Limited
1503, Westport, Sindhubhavan Road,
Nr. S.P. Ring Road,
Ahmedabad-380059, Gujarat.

Our report of even date is to be read along with this letter.

- 1) Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
- 5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- 6) The secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place: Ahmedabad
Date: September 04, 2025

For, Malay Desai & Associates
Company Secretaries

Sd/-
Malay Desai
Proprietor
Membership No: A48838
C.P. No.: 26051
Peer Review No.: 6426/2025
UDIN: A048838G001166781

KANEL INDUSTRIES LIMITED

Annexure –C

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

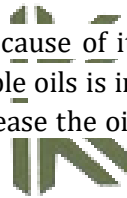
1. INDUSTRY STRUCTURE AND DEVELOPMENT:

Our company was earlier in the business of trading into edible and non-edible oils. However the company was out of Business for a longtime and underwent insolvency resolution during the Financial Year. Our Company was performing activity of bulk trading of cottonseed oil, groundnut oil, sunflower oil, palmolein oil and soyabean oil. However major part of India's Edible Oil demand has been supported by equivalent increase in imports. Since 2012-13, out of the 6 mn tons of incremental demand has parallelly seen 5 mn tons of import increment. Indian edible oil import has grown at 8.4% CAGR over last decade. Palm oil has been the main edible oil imported in India. Off lately, Soybean oil imports have also increased sharply. Vegetable oils form over half of the total Agricultural import in India. Despite being the 5th largest oilseed crop producing country in the world, India is also one of the largest importers of vegetable oils today.

2. OPPORTUNITIES AND THREAT:

Opportunities:

India is a potential market for edible oils because of its domestic consumption. However, the deficit between production and consumption of edible oils is increasing rapidly, even after importing millions of tonnes of oil. The government should increase the oilseed production and solve the problems faced by the edible oil market.



For edible oil market, there can be major market opportunities in the recent time because the paradigm of health concern for a growing number of Indian consumers has largely shifted.

The oil seed cultivation needs to be promoted to under-utilized farming locations such as the eastern India, where more than 15 million hectares under low land rice is one of the opportunities for increasing the area under oilseeds. The inter cropping technique can be used in nearly 45 million hectares under widely spaced crops like sugarcane, maize, cotton etc. Extending oilseed cultivation to under-utilized farming locations such as the rice fallows of eastern India and in some coastal regions, where more than 15 million hectares under low land rice is one of the opportunities for increasing the area under oilseeds.

Threats:

Changes in external environmental also may present threats to the firm. Such threats may include:

- Shifts in customer tastes away from the Company's products
- Emergence of substitute products
- New regulations

KANEL INDUSTRIES LIMITED

- Increased trade barriers
- Production situation
- System constraints in public sector transfer of oilseed technology
- Processing situation

3. RISK, CONCERNS AND THREATS:

The annual oilseed production of the country is faced with high degree of variation as nearly 76% of the oilseeds area is under rainfed conditions and therefore subjected to uncertainties of moisture availability. Availability of quality seeds of improved varieties and hybrids is grossly inadequate and is one of the major constraints in enhancing the oilseed production. The cost of vegetable oil processing in India is very high as compared to the countries like China and USA mainly due to smaller capacities, low technical efficiency and low-capacity utilization. Additional inefficiency arises from non-integration of solvent extraction units with expeller units; As a result, significant amounts of expeller cake are not solvent extracted resulting in considerable losses of oil and meal products. The lack of adequate integration between expelling and solvent extraction units alone is costing the country Rs.2500 crores annually. The fragmentation, low technical efficiency and excess capacity of India's oilseed processing industry are largely the result of regulatory and trade policies followed by the government.

4. INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY:

The Company ensures the safety and protection of its assets by having implemented well defined policies and their implementation in a well efficient manner. The board of the Company is always well informed regarding the operations of the company. The company always ensures the dissemination of information through proper channels in a professional manner. The management takes regular recommendations and advises from the reliable professionals having experience in their fields, in order to efficiently discharge responsibilities by giving hands on facts, details and recommendations concerning the activities covered for audit and reviewed by it during the year.

The conclusions of internal audit reports and effectiveness of internal control measures is reviewed by top management and audit committee of the Company.

5. FINANCIAL PERFORMANCE:

A. Standalone Financial Performance:

(i) Net Sales and Other Income:

Income for the year under review Increase from Rs. 0.20 Lakhs to Rs. 0.51 lakhs.

(ii) Expenditure:

The total expenditure decreased from Rs. 24.43 Lakhs to Rs.5.60 Lakhs.

(iii) Profit/Loss for the period:

The company has made a loss of Rs. 5.60 Lakhs against a loss of Rs. 27.23 Lakhs in the previous year.

KANEL INDUSTRIES LIMITED

6. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:

Since the turnover of the company is nil, the disclosure under this clause is not applicable

7. DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

Sr. No.	Ratios	Is change any significant change compared to last year	Justification
1	Debtors Turnover Ratio	No	Not required as there is no change
2	Inventory Turnover Ratio	No	Not required as there is no change
3	Interest Coverage Ratio	No	Not required as there is no change
4	Current Ratio	Yes	The change is a significant change due to decrease in Trade Receivables and Other Bank Balances disproportionate to the Current Liabilities
5	Debt Equity Ratio	No	Not required as the change is within the limits
6	Operating Profit Margin	No, 0%	Not required as there is no change
7	Net Profit Margin	No, 0%	Not required as there is no change

8. DETAILS OF ANY CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION THEREOF:

The networth of the company was negative prior to the approval of the Resolution plan. Subsequent to implementation of the resolution plan during the current year, the Networth of the Company as on 31.03.2025 stood at Rs. 1590.76 Lakhs.

9. DEVELOPMENT IN HUMAN RESOURCES:

The Company considers its employees as its main assets. The management believes in the philosophy of the development of the Company with the development of its employees. Proper environment of work, all necessities and their safety is looked after. The well-being of its employees is always a priority to the company. The employees are given proper guidance and training to execute their tasks. Hence, higher degree of work satisfaction is enjoyed by the employees of the company.

KANEL INDUSTRIES LIMITED

10. ENVIRONMENT, HEALTH & SAFETY (EHS)

The Company commits to ethical and sustainable operation in all business activities. Company maintains and implements an Environmental Management System (EMS) for meeting the purpose of organization's policy and objectives regarding environment. The aims of the system is use of processes, practices, techniques, materials, products, services or energy to avoid, reduce or control the creation, emission or discharge of any type of pollutant or waste, in order to reduce adverse environmental impacts. Adequate Occupational Health & Safety Management System is adopted by the Company for ensuring the conformance to the Occupational Health & Safety Management System, legal & statutory requirements, continual improvement and satisfaction of interested parties (i.e. customers, suppliers, employees and public).

11. CAUTIONARY STATEMENT:

No reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions, predictions etc. may constitute "forward looking statements" contained herein. Certain statements contained in this document may be statements of future expectations, forecasts and other forward-looking statements that are based on management's current view and assumptions. Such statements are by their nature subject to significant uncertainties and contingencies and the actual results, performance or events may differ materially from those expressed or implied in such statements. Readers are cautioned not to place undue reliance on any forward looking statement.

Registered Office:

1503, Westport, Sindhubhavan Road, Nr. S.P.
Ring Road, Ahmedabad-380059, Gujarat.

 By order of the Board of Kanel Industries
Limited

Date: September 04, 2025

Place: Ahmedabad

Sd/-
Keyoor Bakshi
Director & CFO
DIN: 00133588

Sd/-
Harshit Kachchhi
Director
DIN: 08019394

KANEL INDUSTRIES LIMITED

Annexure -D

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Code of Corporate Governance

The Corporate Governance policies followed by your Company are aimed at ensuring transparency in all dealings and in the functioning of the management and the Board. These policies seek to focus on enhancement of long-term shareholder value without compromising on integrity, social obligations and regulatory compliances. The Company operates within accepted standards of propriety, fair play and justice and aims at creating a culture of openness in relationship between itself and its stakeholders.

Board of Directors:

As on 31st March 2025, the composition of the Board of Directors is shown as below. The Chairman is an executive Director and the composition of Independent Director is 50% comprising of non-executive independent directors.

BOARD MEETINGS: During the year under review, 6 Board Meetings were held.

Name & Designation	Category	No. of Board Meeting Attended	Percentage Attendance	Attendance at Last AGM (30/09/2024)	No. of Other Directors hip	Name of listed entities in which the person holds directorship	Membership in the committee of other companies
Keyoor Bakshi, Director & CFO	Promoter and Executive Director	6	100	NA	9	2	1
Harshit Kachchi	Promoter Non-Executive Director	6	100	NA	4	Nil	0
Bhavin Mehta	Independent Director	3	100	NA	1	Nil	0
Jasmin Doshi	Independent Director	3	100	NA	4	4	1

KANEL INDUSTRIES LIMITED

DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE:

No director is connected to any other director in any manner.

NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS:

None of the Non-Executive Directors is holding any share of the company.

WEBLINK WHERE DETAILS OF FAMILIARIZATION PROGRAMMES IMPARTED TO INDEPENDENT DIRECTORS IS DISCLOSED

The details of familiarization of programmes imparted to Independent Directors is disclosed on the website of the company, link of which is <https://www.kanel.in/policy.html>.

MATRIX SETTING OUT SKILLS / EXPERTISE / COMPETENCE OF THE BOARD OF DIRECTORS:

Name of Director	Area of Expertise						
	Technology	Legal	Stakeholders Relationship	Strategy Development	Finance	Corporate Governance	Leadership
Keyoor Bakshi	✓	✓	✓	✓	✓	✓	✓
Harshit Kachchhi	✓		✓	✓	✓	✓	✓
Bhavin Mehta	✓	✓	✓	✓	✓	✓	✓
Jasmin Doshi	✓	✓	✓	✓	✓	✓	✓

CODE OF CONDUCT

The company has already adopted a code of conduct for all employees of the company and executive directors. The board has also approved a code of conduct for the non-executive directors of the company.

All board members and senior management personnel (as per SEBI (LODR) guidelines) have affirmed compliance with the applicable code of conduct has been provided in the Annual Report.

The directors and senior management of the company have made disclosures to the board confirming that there is no material financial and/ or commercial transactions between them and the company that could have potential conflict of interest with the company at large.

The Board hereby confirms that the independent directors fulfill the conditions specified in these regulations and are independent of the management.

COMPOSITION OF COMMITTEES

A. AUDIT COMMITTEE: Reviewing, with the management, the annual financial statements and auditor's report before submission to the board, following are the terms of reference of the committee:

1. Reviewing, with the management, the annual financial statements and auditor's report before submission to the board;
2. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

KANEL INDUSTRIES LIMITED

3. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
4. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
5. Approval of payment to statutory auditors for any other services rendered by the statutory Auditors;
6. Review and monitor the auditor's independence and performance, and effectiveness of audit Process;
7. Approval or any subsequent modification of transactions of the company with related parties;
8. Scrutiny of inter-corporate loans and investments;
9. Valuation of undertakings or assets of the company, wherever it is necessary;
10. Evaluation of internal financial controls and risk management systems;
11. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
12. Discussion with internal auditors of any significant findings and follow up there on;
13. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
14. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
15. To review the functioning of the Whistle Blower mechanism;
16. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate; Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

COMPOSITION, NAME OF MEMBERS AND CHAIRMAN



Name	Designation
Mr. Bhavin Mehta	Chairperson
Mr. Keyoor Bakshi	Member
Ms. Jasmin Doshi	Member

FUNCTIONS OF AUDIT COMMITTEE:

The Audit Committee is headed by Mr. Bhaivn Mehta as Chairman and includes other directors namely Mr. Keyoor Bkashi, Ms. Jasmin Doshi. The Committee is regularly giving feedback on daily financial and accounting position of the company to the Board. All committee Reports and minutes are placed before the Board in all its meetings for information, guidance, directions and taking the same on record. Other functions, powers, duties etc. of the committee are defined taking in to account the legal provision of regulation 18 of the SEBI(LODR) guidelines and the same are kept flexible to be decided by the Board from time to time.

MEETINGS OF AUDIT COMMITTEE:

Since the company is in Corporate Insolvency Resolution Process, the powers of the Board of Directors are suspended and Resolution Professional has taken over the charge of the company with effect from 03rd December, 2021 till 23rd October, 2024. Thus, meetings of the Audit Committee on 11.11.2024 and 14.02.2025 during the year 2024-25.

KANEL INDUSTRIES LIMITED

B. STAKEHOLDERS RELATIONSHIP COMMITTEE:

Name	Designation
Ms. Jasmin Doshi	Chairperson
Mr. Bhavin Mehta	Member
Mr. Keyoor Bkashi	Member

FUNCTIONS OF STAKEHOLDERS RELATIONSHIP COMMITTEE

This Committee looks in to all aspects and business related to shares and retail investors. The Committee also looks after the Dematerialization process of equity shares.

The Committee is also empowered to keep complete records of Shareholders, Statutory Registers relating to Shares and securities, maintaining of the complete records of Share Dematerialized, Investors Grievances, complaints received from investors and also from various agencies.

The Committee meets regularly to approve all the cases of shares demat, transfer, issue of duplicate and resolution of investors complaints, submission of information to various statutory authorities like NSDL/CDSL, SEBI, Stock Exchanges, Registrar of Companies periodically and from time to time. Other functions, roles, duties, powers etc. have been clearly defined in line with the provision of regulation 20 of SEBI (LODR) guidelines, and are kept flexible for modification by the Board from time to time.

C. REMUNERATION COMMITTEE:

COMPOSITION, NAME OF MEMBERS AND CHAIRMAN

Name	Designation
Ms. Jasmin Doshi	Chairperson
Mr. Bhavin Mehta	Member
Mr. Harshit Kachchhi	Member



During the year the Company has not offered any Stock Options or provided any finance to purchase any such stock options or offered ESOP Scheme to any of its Directors or the employees.

MEETINGS OF NOMINATION AND REMUNERATION COMMITTEE:

Since the company is in Corporate Insolvency Resolution Process, the powers of the Board of Directors are suspended and Resolution Professional has taken over the charge of the company with effect from 03rd December, 2021 till 23rd October, 2024. Thus, meetings of the Remuneration Committee on 11.11.2024 and 14.02.2025 during the year 2024-25.

KANEL INDUSTRIES LIMITED

Details of Annual General Meeting Held during the Last 3 Financial Years:

S.No.	Date of AGM	Day	Time	Venue.
1	30/09/2022	Friday	9:00 A.M	203, Abhijeet Buildings, Near Mithakhali 6 Road, Ellisbridge, Ahmedabad-380006, Gujarat
2	30/09/2023	Saturday	9:30 A.M	203, Abhijeet Buildings, Near Mithakhali 6 Road, Ellisbridge, Ahmedabad-380006, Gujarat
3	30/09/2024	Monday	9:30 A.M	203, Abhijeet Buildings, Near Mithakhali 6 Road, Ellisbridge, Ahmedabad-380006, Gujarat

PASSING OF THE RESOLUTION BY POSTAL BALLOT SYSTEM:

The Company had not passed any resolution by means of Postal Ballot since the last Annual General Meeting. The Company has not proposed to pass any resolution in this Annual General Meeting which is to be passed by means of Postal Ballot system.

POLICIES:

A. POLICY ON RELATED PARTY TRANSECTIONS

SCOPE AND PURPOSE OF POLICY

Related party transactions can present a potential or actual conflict of interest which may be against the best interest of the company and its shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 ("Act") read with the Rules framed there under and provisions of Regulation 23 of SEBI (LODR) guidelines, our Company has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

Also, provisions of Regulation 23 of SEBI (LODR) guidelines require a company to formulate a policy on materiality of related party transactions and dealing with related party transactions. In light of the above, our Company has framed this Policy on Related Party Transactions ("Policy"). This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee. Going forward, the Audit Committee would review and amend the Policy, as and when required, subject to the approval of the Board.

OBJECTIVE OF THE POLICY

The objective of this Policy is to set out (a) the materiality thresholds for related party transactions and; (b) the manner of dealing with the transactions between the Company and its related parties based on

KANEL INDUSTRIES LIMITED

the Act, provisions of regulation 23 of SEBI(LODR) guidelines and any other laws and regulations as may be applicable to the Company.

MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS

a. Identification of related parties:

The Company has formulated guidelines for identification and updating the list of related parties as prescribed under Section 2(76) of the Act read with the Rules framed there under and provisions of regulation 23 of SEBI (LODR) guidelines.

b. Identification of related party transactions:

The Company has formulated guidelines for identification of related party transactions in accordance with Section 188 of the Act and provisions of regulation 23 of SEBI (LODR) guidelines.

DISCLOSURES

The Company shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business along with the justification for entering into such transaction.

B. FAMILIARIZATION POLICY FOR INDEPENDENT DIRECTORS

PURPOSE AND OBJECTIVE OF THE POLICY

The Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company.

FAMILIARIZATION AND CONTINUING EDUCATION PROCESS

- The Company through its Managing Director / Executive Director / Key Managerial Personnel conducts programmes / presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company.
- Such programmes/presentations provide an opportunity to the Independent Directors to interact with the Senior Management of the Company and help them to understand the Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time.
- The programmes/presentations also familiarizes the Independent Directors with their roles, rights and responsibilities.
- When a new Independent Director comes on the Board of the Company, a meeting is arranged with the Chairperson, Managing Director, Chief Financial Officer to discuss the functioning of the Board and the nature of the operation of the Company's business activities.
- New Independent Directors are provided with copy of latest Annual Report, the Company's Code of Conduct, the Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices, Schedule of upcoming Board and Committee meetings.
- The Company provides the Directors with the tours of company's facilities from time to time.
- A detailed Appointment Letter incorporating the role, duties and responsibilities, remuneration and performance evaluation process, insurance cover, Tata Code of Conduct and obligations on disclosures, is issued for the acceptance of the Independent Directors.

KANEL INDUSTRIES LIMITED

C. RISK MANAGEMENT POLICY

LEGAL FRAMEWORK

Risk Management is a key aspect of the "Corporate Governance Principles and Code of Conduct" which aims to improvise the governance practices across the Company's activities. Risk management policy and processes will enable the Company to gain new opportunities.

BACKGROUND AND IMPLEMENTATION

The Company is prone to inherent business risks. The objective of Risk Management Policy shall be identification, evaluation, monitoring and minimization of identifiable risks. This policy is in compliance with the provision of regulation 21 of SEBI (LODR) guidelines, which requires the Company to lay down procedure for risk assessment and procedure for risk minimization. The Board of Directors of the Company and the Audit Committee shall periodically review and evaluate the risk management system of the Company so that the management controls the risks through properly defined network. Head of Departments shall be responsible for implementation of the risk management system as may be applicable to their respective areas of functioning and report to the Board and Audit Committee.

COMMITTEE

The Company has not made Risk Management Committee but the Board of Directors & Audit Committee is looking after the Risk Management of the Company.

A. CORPORATE SOCIAL RESPONSIBILITY POLICY

India has introduced several new provisions which change the face of Indian corporate business. One of such new provisions is Corporate Social Responsibility (CSR). As per Section 135 of the Companies Act, 2013, it provides the threshold limit for applicability of the CSR to a Company i.e. (a) networth of the company to be Rs 500 crore or more; (b) turnover of the company to be Rs 1000 crore or more; (c) net profit of the company to be Rs 5 crore or more. Our Company is the Loss making one. So that CSR Policy is Not Applicable to the Company. So any CSR Activities have not been undertaken by the Company & has not made Corporate Responsibility Committee.

B. VIGIL MECHANISM POLICY

LEGAL FRAMEWORK

Section 177 of the Companies Act, 2013 requires every listed company and such class or classes of companies, as may be prescribed to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed. Provision of regulation 22 of SEBI (LODR) guidelines and the Stock Exchanges, inter alia, provides for a mandatory requirement for all listed companies to establish a mechanism called "Whistle Blower Policy for employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the company's code of conduct.

POLICY

In compliance of the above requirements, Kanel Industries Limited, being a Listed Company has established a Vigil (Whistle Blower) Mechanism and formulated a Policy in order to provide a framework for responsible and secure whistle blowing/vigil mechanism. The Vigil (Whistle Blower) Mechanism aims to provide a channel to the Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy. The

KANEL INDUSTRIES LIMITED

Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. The mechanism provides for adequate safeguards against victimization of Directors and employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (POLICY WHERE MORE THAN 4 WOMEN WORKING) AND ELIMINATION OF CHILD LABOUR POLICY.

The Company is not employing more than 4 women employees as well as the Company is not employing any child labor. So these both policies are not applicable to the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

A) PRESENT STRENGTH OF THE COMPANY:

The Edible oil business is company's core business and demand of edible oils is growing in India @ of 10 percent per annum and in fact the demand of branded edible oils is growing even faster with the government having started taking actions to ban sale of edible oils in loose and implementation of its order for allowing sale of edible oils in packed format only under the packaging act.

B) FUTURE OUTLOOK:

The Company is under CIRP proceedings, and the resolution plan approved by Coc has been submitted to Hon'ble NCLT for approval. The future of the Company depends on that right now.



DISCLOSURES

A) MATERIALLY RELATED PARTY TRANSACTION:

During the financial year 2024-25 there were no transactions for sell/purchase of goods or services of material nature with its promoters, the directors and the management, their subsidiaries or relatives, etc., hence statement AOC-2 has not been provided as the part of the report.

B) DETAILS OF NON-COMPLIANCE

The list of Non-Compliance has been stated in the Secretarial Audit Report Annexed to the Annual Report as Annexure-B.

CERTIFICATE ON CORPORATE GOVERNANCE

As required under Disclosures of Requirements of Corporate Governance specified in Regulation 17 to 27 and clause (b) to (i) of Sub-regulation (2) of Regulation 46 is provided in the Annual Report.

MEANS OF COMMUNICATIONS:

ESTABLISHMENT OF INTERNAL MANAGEMENT INFORMATION SYSTEM:

The Company has established the Management information system whereby any problem requiring policy decisions are being intimated to Audit Committee for redressal or amendments in the policy and

KANEL INDUSTRIES LIMITED

procedures. The progress reports are being maintained regularly. All the Investors' grievances or share department related queries are addressed to the Compliance officer who in turn put the same before the Investors' Grievances Committee.

INFORMATION SYSTEM BETWEEN COMMITTEES AND THE BOARD

Both Audit Committee and Investors' Grievances Committees receive periodical regular information from the concerned functional heads, after resolutions of all the problems communicate back the same to functional heads for further communications. The progress report and minutes of all meetings held of both the committees are being placed before the Board for information and taking the same on records.

INFORMATION SYSTEM BETWEEN THE COMPANY AND INVESTORS

The Company is regularly taking on record the un-audited financial results on quarterly basis as per requirements of the relevant provision of SEBI(LODR) guidelines. The Material information relating to the business of the Company is being intimated to the Stock Exchange who in turn publishes the same in their official bulletin. The Audited Financial Balance Sheet is being dispatched to every shareholder in time at their registered addresses.

COMPANY'S WEBSITE

The Company's website www.kanel.in contains a separate dedication section "Investor's Desk" where shareholder information is available. Full annual report is also available on the website in a user friendly and downloadable form.

STATUTORY COMPLIANCES MADE AND RETURNS ETC., FILED

The Company has duly complied with the provisions of the Companies Act 2013, all the provisions of the SEBI (LODR) guide lines except few which are highlighted by our statutory & secretarial auditors. The Company has also filed various unaudited financial results, Balance sheets, Income Tax returns and other statutory returns with all the authorities in time except TDS returns. There are no defaults as on date in any such compliances except few but no legal action of any nature has been taken against the company or its officers/ directors.

DEMATERIALISATION OF SHARES AND LIQUIDITY:

The Company has entered into Tripartite Agreement with both Depositories namely National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). Now the Shareholders have the option to hold their share either in physical form or in Demat form. However as per SEBI circular hereby advise all its shareholders to dematerialize their holding at the earliest.

SHARE TRANSFER SYSTEM:

However, as per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.

KANEL INDUSTRIES LIMITED

Nomination :

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the Depository Participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

STATUS OF LISTING:

The Company's Equity Shares are at present listed and traded at Bombay Stock Exchange.

Name of Stock Exchange
Bombay Stock Exchange (BSE)

Trading Code
500236

DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT:

- a. aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: Nil
- b. number of shareholders who approached listed entity for transfer of shares from suspense account during the year: Nil
- c. number of shareholders to whom share were transferred from suspense account during the year: Nil
- d. aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: Nil
- e. voting rights on shares which remain frozen till the rightful owner of such shares claims the shares: Nil

CATEGORY WISE HOLDING OF SHARES AS ON 31/03/2025 (as per order dated 23rd October, 2024 passed by the Hon'ble NCLT, Ahmedabad Bench approving the Resolution Plan submitted by Ardent Ventures LLP in the matter of Kanel Industries Limited under section 30(6) of Insolvency and Bankruptcy code, 2016.)

Category	No. of Shares	Percentage of Share Holding
Promoter	1,49,62,500	95.00%
Public	7,87,500	5.00%
Total	1,57,50,000	100.00%

(*Corporate action pending with Depositories)

KANEL INDUSTRIES LIMITED

SHARE HOLDING AS PER DEPOSITORIES AS ON 31/03/2025 pending corporate action

Category	No. of Shares	Percentage of Share Holding
Promoters	13680	0.07
Financial Institutions	200	0.00
Bodies Corporate	828150	4.50
Public (Indian)	16829568	91.40
NRI	24525	0.13
HUF	706343	3.84
LLP	4869	0.03
Clearing Members	4700	0.03
TRUST	405	0.00
Total	18412440	100.00

DISTRIBUTION OF SHAREHOLDING AS ON 31/03/2025 AS PER DEPOSITORIES

Share Holding		No. of Holder (s)		No. of Shares	
From	To	Folios	%	Shares	%
Upto	5000	30611	98.91	9282861	50.41625
5001	10000	170	0.55	1271077	6.90336
10001	20000	80	0.26	1107063	6.012582
20001	30000	24	0.08	573586	3.115209
30001	40000	13	0.04	455039	2.471367
40001	50000	12	0.04	578765	3.143337
50001	100000	20	0.06	1734309	9.419224
100001	Above	18	0.06	3409740	18.51868
		30,948	100.00	18,412,440	100.00

ISIN NUMBER OF THE COMPANY: INE252C01015 (presently under suspension due to pending corporate actions with the Depositories)

Declaration by the Managing Director on Code of Conduct as required by Regulation 17(5) SEBI (LODR), 2015.

This is to declare that the company has received affirmations of compliance with applicable Code of Conduct from the Directors and Senior Management personnel of the company in respect of the financial year 2024-25.

Registered Office:

1503, Westport, Sindhubhavan Road, Nr. S.P.
Ring Road, Ahmedabad-380059, Gujarat.

**By order of the Board of Kanel Industries
Limited**

Date: September 04, 2025

Place: Ahmedabad

**Sd/-
Keyoor Bakshi
Director & CFO
DIN: 00133588**

**Sd/-
Harshit Kachchhi
Director
DIN: 08019394**

KANEL INDUSTRIES LIMITED

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT FOR BOARD OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

To,
The Members,
Kanel Industries Limited,
Ahmedabad

I, Keyoor Bkashi, Director & Chief Financial Officer of the Company, hereby certify that all the Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Code of Conduct in accordance with regulation 17(5) of SEBI (LODR), 2015.

As required by regulation 17 (5) of SEBI (LODR), 2015, Certificate of Compliance with the Corporate Governance Requirements by the Company issued by Auditors is given as an annexure to the Directors' Report.

We further confirm that during the year, none of the Directors or any of the Key managerial persons had done any trading in shares of the Company during the Closure of Trading Window in the secondary market. Further the company had not made any allotment of shares to any Directors or any of the key managerial personnel during the year.

The above Report was adopted by the Board at their meeting held on September 04, 2025.



**For & On Behalf of the Board of Director of
Kanel Industries Limited**

SD/-

Place : Ahmedabad

Date : September 04, 2025

(Keyoor Bakshi)

Director & CFO

(DIN: 00133588)

KANEL INDUSTRIES LIMITED

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY

I, Keyoor Bakshi, Chief Financial Officer & Managing Director of the company and member of Audit Committee of Kanel Industries Limited, do hereby certify that:

(a) We have reviewed the financial statement and the cash flow Statement for the year and to the best of our knowledge and belief;

(i) These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.

(ii) These statements together present a true and fair view of the Company affairs and are in compliance with existing accounting standards, applicable laws, and regulations.

(b) As per the best of our knowledge and belief, no transactions entered into by Kanel Industries Limited during the year which is fraudulent, illegal or volatile of the company's Code of Conduct.

(c) We are responsible for establishing and maintaining internal controls for financial reporting in Kanel Industries Limited and we have evaluated the effectiveness of the internal control system of the company pertaining to financial reporting. We have disclosed to the auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps we have taken or propose to take to rectify these deficiencies

(d) We have indicated to the auditors and the audit Committee:

(i) Significant changes in internal controls over financial reporting during the year.

(ii) Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements.

(iii) Instance of Significant fraud of which we have become aware and the involvement therein, if any, of the management of an employee having a significant role in the Company internal control system.

(e) We affirm that we have not denied any personal access to the Audit Committee of the Company (in respect of matters involving alleged misconduct, if any.)

(f) We further declare that all Board Members and senior management have affirmed compliance with the code of conduct for the current year.

**For & On Behalf of the Board of Director of
Kanel Industries Limited**

SD/-

(Keyoor Bakshi)

Director & CFO

(DIN: 00133588)

Place : Ahmedabad

Date : September 04, 2025

KANEL INDUSTRIES LIMITED

CERTIFICATE OF CORPORATE GOVERNANCE

Under Regulation 34(3) read with Schedule V (E) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

To
The Members of
KANEL INDUSTRIES LIMITED
1503, Westport, Sindhubhavan Road,
Nr. S.P. Ring Road, Ahmedabad-380059, Gujarat.

We have examined the compliance of conditions of Corporate Governance by Kanel Industries Limited ('the Company') for the year ended on 31st March, 2025, as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period commencing from 1st April, 2024 and ended on 31st March, 2025.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, during the Period under review, We certify that the **Company has not complied** with the conditions of Corporate Governance as Mr. Vikram Desai and Ms. Asha Desai has not complied with the provisions of Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014 and conditions as stipulated in the provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 till 25.10.2024*

We further state that this certificate is neither an assurance as to the future viability of the Company nor of the Efficiency or effectiveness with which the Management has conducted the affairs of the Company.

This Certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

Place: Ahmedabad
Date: September 04, 2025

For, Malay Desai & Associates
Company Secretaries

Sd/-
Malay Desai
Proprietor
Membership No: A48838
C.P. No.: 26051
Peer Review No.: 6426/2025
UDIN: A048838G001166867

*As per order dated 23rd October, 2024 passed by the Hon'ble NCLT, Ahmedabad Bench approving the Resolution Plan submitted by Ardent Ventures LLP in the matter of Kanel Industries Limited under section 30(6) of Insolvency and Bankruptcy code, 2016.

KANEL INDUSTRIES LIMITED

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members of
KANEL INDUSTRIES LIMITED
1503, Westport, Sindhubhavan Road,
Nr. S.P. Ring Road, Ahmedabad-380059, Gujarat.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Kanel Industries Limited having CIN: L15140GJ1992PLC017024 and having registered office at 1503, Westport, Sindhubhavan Road, Nr. S.P. Ring Road, Ahmedabad-380059, Gujarat. (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my/our information and according to the verifications as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2025 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority

Sr No.	Name of Director	DIN
1	KEYOOR BAKSHI	00133588
2	HARSHIT KACHCHHI	08019394
3	BHAVIN MEHTA	00023850
4	JASMIN DOSHI	08686876

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad
Date: September 04, 2025

For, Malay Desai & Associates
Company Secretaries
Sd/-
Malay Desai
Proprietor
Membership No: A48838
C.P. No.: 26051
Peer Review No.: 6426/2025
UDIN: A048838G001166891

Independent Auditor's Report

To
The Members of
KANEL INDUSTRIES LIMITED

Report on the audit of the Standalone Financial Statements

Opinion

1. I have audited the accompanying Ind AS standalone financial statements of **KANEL INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2025, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information ("the Financial Statements").
2. In my opinion and to the best of my information and according to the explanations given to me, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2025, and its loss and other comprehensive income, changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. I conducted my audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. My responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am 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 my audit of the Financial Statements under the provisions of the Act, and the rules thereunder, 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 is sufficient and appropriate to provide a basis for my opinion on the Financial Statements.

Key Audit Matters

4. Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the Financial Statements of the current year. These matters were addressed in the context of my audit of the Financial Statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

A. Approval of Resolution Plan:

The National Company Law Tribunal (NCLT), Ahmedabad Bench, vide its order under Section 30(6) read with Section 31(1) of the Insolvency and Bankruptcy Code, 2016 and Regulation 39(4) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, has approved a Resolution Plan submitted for the Company.

The Resolution Plan inter alia provides for:

- a) waiver of liabilities by secured and unsecured creditors,
- b) partial debt restructuring including conversion of loan into equity shares,
- c) cancellation of certain equity shares,
- d) revaluation of fixed assets at fair market value, and
- e) writing off losses relating to current assets and investments.

The Company has accounted for the above impacts in accordance with the approved Resolution Plan, applicable requirements of Ind AS and the NCLT order. These transactions are significant in terms of their size and nature, and required considerable audit attention due to the complexity of accounting, judgments involved in valuation and classification, and extensive disclosures.

Auditor's Response:

My audit procedures included, among others:

- a) Reading and evaluating the NCLT Order approving the Resolution Plan;
- b) Assessing management's process for implementing the accounting effects of the Resolution Plan;
- c) Evaluating the appropriateness of accounting treatment for waiver of liabilities, restructuring of borrowings, issue of equity shares, cancellation of shares and write-off of current assets and investments in accordance with applicable Ind AS;
- d) Assessing the basis of revaluation of fixed assets including involvement of independent valuer and assumptions used;
- e) Verifying necessary approvals, resolutions and supporting documentation relating to the implementation of the Resolution Plan; and
- f) Evaluating the adequacy of related disclosures made in Note 49 of the financial statements.

Based on the above procedures, I found management's accounting and disclosures in respect of the Resolution Plan to be reasonable and in accordance with the applicable financial reporting framework.

B. Revaluation of Assets:

I draw attention to Note 49 of the financial statements, which describes that, pursuant to approval of the Resolution Plan by the Hon'ble NCLT, Ahmedabad Bench, the Company has revalued its fixed assets at fair value based on valuation carried out by an independent valuer. The resultant revaluation impact has been accounted for in the books of account in accordance with the Resolution Plan and applicable Ind AS. My opinion is not modified in respect of this matter.

Auditor's Response:

In addressing the above Key Audit Matter, my procedures included, among others:

- a) Understanding and evaluating the terms of the approved Resolution Plan with respect to revaluation of fixed assets.
- b) Assessing the competence, independence and objectivity of the independent valuer engaged by the Company.
- c) Evaluating the valuation methodology, assumptions and inputs adopted by the valuer for reasonableness and consistency with Ind AS 16 requirements.
- d) Reconciling the revalued amounts with the valuation report and ensuring appropriate accounting treatment of the resultant revaluation reserve in the books of account.
- e) Reviewing disclosures made in the financial statements, particularly Note 49, for compliance with Ind AS and Schedule III requirements.

Based on the procedures performed, we found the management's accounting and disclosure for revaluation of fixed assets to be reasonable and in line with the applicable financial reporting framework.

C. Conversion on Loan into Equity:

The Hon'ble National Company Law Tribunal (NCLT), Ahmedabad Bench, vide its order under Section 30(6) of the Insolvency and Bankruptcy Code, 2016 read with Regulation 39(4) of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, approved the Resolution Plan of the Company. The Resolution Plan inter alia provided for:

- a) Waiver of secured and unsecured debt aggregating to ₹1575.84 lakhs;
- b) Conversion of balance debt of ₹1496.25 lakhs into 1,49,62,500 equity shares of ₹10 each at par; and
- c) Extinguishment of existing liabilities in accordance with the approved Resolution Plan.

The accounting treatment of waiver of debt and conversion of debt into equity has been carried out in accordance with the provisions of applicable Ind AS, particularly Ind AS 32 *Financial Instruments: Presentation*, Ind AS 109 *Financial Instruments* and Ind AS 107 *Financial Instruments: Disclosures*.

Given the materiality of the transaction and significant impact on the financial statements, this matter has been identified as a Key Audit Matter.

Auditor's Response:

I have performed the following audit procedures:

- a) Verified the NCLT order approving the Resolution Plan.
- b) Evaluated the accounting treatment of waiver of debt and debt-to-equity conversion with reference to Ind AS 32/109 requirements.
- c) Checked the computation of equity shares issued against the converted debt.
- d) Ensured appropriate disclosure has been made in the Notes to Accounts (Refer Note 49).
- e) Based on the above procedures, I found the accounting and disclosure of debt waiver and debt-to-equity conversion to be appropriate.

Other Information

5. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the Financial Statements and my auditors' report thereon.
6. My opinion on the Financial Statements does not cover the other information and I do not express any form of assurance conclusion thereon.
7. In connection with my audit of the Financial Statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information; I am required to report that fact. I have nothing to report in this regard.

Management's responsibility for the Financial Statements

8. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these Financial Statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting standards ("Ind AS") specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

9. In preparing the Financial Statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
10. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the Financial Statements

11. My objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my 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 Statements.
12. As part of an audit in accordance with SAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:
 - 12.1. Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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.
 - 12.2. 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) the Act, I am also responsible for expressing my opinion on whether the Company has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
 - 12.3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
 - 12.4. Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify my opinion. The company has suffered huge losses in past and its net worth has been eroded. The management has produced detailed plan for revival. This includes efforts to increase sales and cash flow, negotiations with the banking institution of finance and redrafting of its credit policy. Company

has not incurred cash loss in the current year. The profitability shows upward trend. This evidence justifies management's conclusion of company's ability to continue as going concern. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- 12.5. Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
13. I 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 I identify during my audit.
14. I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.
15. From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

16. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, I give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
17. As required by Section 143(3) of the Act, I report that:
- 17.1. I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
- 17.2. In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books for the matters stated in the paragraph 18.8 below, on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- 17.3. The balance sheet, the statement of profit and loss including other comprehensive income, the statement of changes in equity and the cash flow statement dealt with by this Report are in agreement with the books of account.

- 17.4. In my opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act.
- 17.5. On the basis of the written representations received from the directors as on 31 March 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- 17.6. With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to my separate Report on internal financials control over financials reporting as per **Annexure-2**; and
- 17.7. In my opinion and according to the information and explanations given to me, Company has not paid remuneration to directors.
- 17.8. The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 17.2 above on reporting under section 143(3)(b) of the Act and paragraph 18.8 below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
18. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in my opinion and to the best of my information and according to the explanations given to me:
- 18.1. The Company does not have any pending litigations which would impact its financial position.
- 18.2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- 18.3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- 18.4. The management has represented that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Based on reasonable audit procedures adopted by me, nothing has come to my notice that such representation contains any material misstatement.
- 18.5. The management has represented that no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any

guarantee, security or the like on behalf of the Ultimate Beneficiaries. Based on reasonable audit procedures adopted by me, nothing has come to my notice that such representation contains any material misstatement.

- 18.6. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to my notice that has caused me to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- 18.7. In my opinion and according to the information and explanations given to me, no dividend has been declared and / or paid during the year by the Company.
- 18.8. Based on my examination which included test checks and information given to me, the Company has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility throughout the year for all relevant transactions recorded in the respective software, Further, during the course of my audit I did not come across any instance of audit trail feature being tampered with.

Further, the audit trail, to the extent maintained in the prior year, has been preserved by the Company as per the statutory requirements for record retention.

For N.S. NANAVATI & CO.
Chartered Accountants
FRN: 134235W

(CA NITESH SHIRISHCHANDRA NANAVATI)
Proprietor
Membership No.: 143769
UDIN: 25143769BMSBXO1051

Date: 29.05.2025
Place: Ahmedabad

Annexure - A to the Auditors' Report

The Annexure as referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2025, I report that:

I. In respect of Fixed Assets:

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets. The depreciation is provided at the rate prescribed under Companies Act, 2013.
- b. The Company has maintained proper records showing full particulars of intangible assets.
- c. As per the information and explanations given to me, all the assets have been physically verified by the management during the year and there is a regular program of verification which, in my opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies are noticed on such verification.
- d. The title deeds of all the immovable properties disclosed in the financial statements are held in the name of the company.
- e. No proceedings were initiated/not pending against the company for holding Benami properties under the "Benami Transactions (Prohibition) Act, 1988 and Rules" made there under.
- f. The Company has revalued its fixed assets at fair value based on valuation carried out by an independent valuer. The revaluation was carried out pursuant to approval of the Resolution Plan by the Hon'ble NCLT, Ahmedabad Bench.

The details of the revaluation are as under:

(Rs. In Lakhs)

Particulars	Book Value (₹)	Revised Value (₹)	Increase on Revaluation (₹)
Freehold Land	37.97	1460.45	14224.49
Factory Building	08.09	10.00	01.91
Office Building	08.00	173.00	165.00
Office Equipment	00.26	00.26	—
Total	54.32	1643.71	1589.39

The net increase on account of revaluation amounting to ₹1589.39 lakhs has been credited to **Other Comprehensive Income (OCI)** and accumulated under **Revaluation Reserve** in Equity in accordance with Ind AS requirements.

II. In respect of Inventory:

- a. The Company does not have inventories and thus this reporting clause is not applicable.
- b. The company has not been sanctioned working capital limits in excess of five crore rupees at any point of time during the year accordingly this clause is not applicable to the company.
- c. Based on information and explanations provided to us, the Company had defaulted in repayment of borrowings prior to commencement of the Corporate Insolvency Resolution

Process (CIRP). Pursuant to approval of the Resolution Plan by the Hon'ble NCLT, Ahmedabad Bench, certain secured and unsecured borrowings have been waived/settled and part of the debt has been converted into equity shares in accordance with the approved plan.

- d. As part of implementation of the Resolution Plan, the Company has written off certain current assets, including investments and trade receivables, which were not recoverable. These write-offs have been accounted for as per the Resolution Plan approved by the Hon'ble NCLT.
 - e. Consequently, the outstanding borrowings as at the Balance Sheet date are in line with the terms of the approved Resolution Plan and no further defaults in repayment were observed during the year.
- III. The Company has not made investments in, provided guarantee or security and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Thus, this reporting clause is not applicable.
 - IV. The Company has not granted loans or provided guarantees or securities to parties covered under Section 185 of the Companies Act, 2013 ("the Act"). The Company has complied with the provisions of section 186 of the Act in respect of loans granted, investments made and guarantees and securities provided, as applicable.
 - V. According to the information and explanation given to me, the Company has not accepted any deposits from the public in accordance with the provisions of Section 73 to 76 of the Act or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable to the company.
 - VI. According to the information and explanation given to me, the maintenance of cost records under sub-section 1 of section 148 of the Companies Act 2013 is not mandatory to the company.
 - VII. a. According to the records of the Company and information and explanations given to me, the Company was generally not regular in depositing undisputed statutory dues including Goods and Services Tax, Value Added Tax, Sales Tax, and other statutory dues with the appropriate authorities prior to the commencement of the Corporate Insolvency Resolution Process (CIRP). The Company had certain statutory dues which were disputed and remained unpaid. However, pursuant to the Resolution Plan approved by the Hon'ble National Company Law Tribunal (NCLT), Ahmedabad Bench, vide order dated 23.10.2024, such statutory liabilities have been settled/waived as under:

(Rs. In Lakhs)

Nature of Dues	Total Debt (₹)	Final Claim Accepted (₹)	Waived (₹)
Gujarat VAT Dues	67.72	32.98	34.74
Assistant Sales Tax Comm.	88.04	00.18	87.86
Commercial Sales Tax	2477.70	04.95	2472.75

Accordingly, as on the balance sheet date, no disputed statutory dues remain payable.

- b. According to the information and explanations given to me and documents provided to me, except mentioned otherwise there are no other disputed dues of Goods and Service Tax, income tax, sales tax, duty of excise, service tax and value added tax, duty of customs, duty of Excise, value added tax, cess and any other statutory, which have not been deposited with the appropriate authorities on account of any dispute.
- c. Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March, 2025 on account of any dispute is Nil.

VIII. According to the information and explanations given to me, no such transactions were observed which were not recorded in books of accounts but have been surrendered or disclosed as income during the year in the tax assessment under Income Tax Act, 1961 and there is no previously unrecorded income in the books of account of the company.

IX. According to the information and explanations given to me, I am of the opinion that:

- a. The Company had defaulted in repayment of dues to banks/financial institutions prior to the commencement of the Corporate Insolvency Resolution Process (CIRP). However, The National Company Law Tribunal (NCLT), Ahmedabad Bench, vide its order under Section 30(6) read with Section 31(1) of the Insolvency and Bankruptcy Code, 2016 and Regulation 39(4) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, has approved a Resolution Plan submitted for the Company. The resolution plan provides for waiver of loan and interest liability against issue of equity shares to lender.

The Resolution Plan inter alia provided for:

- a) Waiver of secured and unsecured debt aggregating to ₹1575.84 lakhs;
- b) Conversion of balance debt of ₹1496.25 lakhs into 1,49,62,500 equity shares of ₹10 each at par; and
- c) Extinguishment of existing liabilities in accordance with the approved Resolution Plan.

Necessary accounting adjustments for waiver of debt, issue of equity shares in settlement of debt, and revaluation of assets have been given effect to in the financial statements, in compliance with the approved Resolution Plan and applicable Ind AS requirements.

- b. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c. The company has not availed any term loan therefore question of application of term loan does not arise.
- d. The company has not raised any short-term fund therefore question of utilisation of short-term fund does not arise.
- e. The company has not taken any funds from any entity or person on account of to meet the obligations of its subsidiaries, Joint Venture, Associates Companies.
- f. The Company has not raised any loans during the year on the pledge of securities held in its

subsidiaries, Joint Venture, Associates Companies.

- X. a. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence question of application of fund does not arise.
- However, pursuant to approval of Resolution Plan by Hon'ble NCLT, company has issued new equity shares of Rs. 1496.25 Lakhs i.e. 1,49,62,500 equity shares of ₹10 each at par against conversion of total debt of Rs. 3072.08 Lakhs. This is no cash transaction and company has adjusted secured debt against issue of these shares. This accounting treatment is per Ind AS.
- b. During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x) (b) of the Order is not applicable.
- XI. a. According to the information and explanations given to me, no material fraud by the Company or on the Company has been noticed or reported during year.
- b. No report under sub-section (12) of section 143 of the Companies Act has been filed by me in Form ADT4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c. As represented to me by the management, there are no whistle blower complaints received by the company during the year.
- XII. The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a),(b) and (c) of the Order is not applicable to the Company.
- XIII. Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.
- XIV. a. In my opinion and based on my examination, the company is required to have an internal audit system under section 138 of the Act, and Company has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
- b. Internal audit under section 138 of Companies Act, 2013 is applicable. I have considered Internal auditor's report.
- XV. In my opinion, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of Section 192 of the Act are not applicable to the Company. The conversion of loan into equity shares pursuant to the Resolution Plan approved by the Hon'ble NCLT in favor of an LLP having common directors/partners with the Company does not fall within the scope of Section 192.
- XVI. a. The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.
- b. The Company has not conducted any Non-Banking Financial or Housing Finance activities and is not required to obtain Certificate of Registration (CoR) for such activities from the Reserve Bank of

India as per the Reserve Bank of India Act, 1934.

- c. The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

XVII. According to the information and explanations given to me and based on my examination of the records of the Company, the Company has incurred cash losses of ₹ 4.52 lakhs during the financial year under report. The Company had also incurred cash losses in the immediately preceding financial years prior to commencement of Corporate Insolvency Resolution Process (CIRP).

XVIII. There has been no resignation of the statutory auditors during the year accordingly this clause is not applicable to the company.

XIX. According to the information and explanations given to me and on the basis of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, my knowledge of the Board of Directors and management plans, I am of the opinion that there is no material uncertainty exists as on the date of audit report, and I am also of the opinion that the Company is capable of meeting its liabilities existed at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

I, however, state that this is not an assurance as to the future viability of the Company. I further state that my reporting is based on the facts up to the date of the audit report and I neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

XX. Provisions of section 135 (1) of Companies Act, 2013 is not applicable to the company accordingly this clause is not applicable to the company.

XXI. The company is not a holding company and also not required to prepare consolidated financial statements as per the provisions of the Act accordingly this clause is not applicable to the company.

XXII. According to the information and explanations given to us and as per the records of the Company, the Hon'ble National Company Law Tribunal (NCLT), Ahmedabad Bench, vide its order dated 23.10.2024, has approved the Resolution Plan under section 31 of the Insolvency and Bankruptcy Code, 2016.

Pursuant to the said Resolution Plan:

- a. Total claims filed with the Resolution Professional amounted to Rs. 3845.48 Lakhs
- b. Final claims admitted and settled amounted to 1535.01 Lakhs
- c. Balance Claim of Rs. 2310.32 Lakhs were waived in accordance with the Resolution Plan.
- d. Provision for CIRP Expenses made Rs. 10 Lakhs.

The Company has accounted for the waiver of liabilities, debt-to-equity conversion, and revaluation/write-off adjustments in its books in compliance with applicable Ind AS and the approved Resolution Plan.

XXIII. Pursuant to the approval of the Resolution Plan by the Hon'ble National Company Law Tribunal ("NCLT"), Ahmedabad Bench, under Section 30(6) of the Insolvency and Bankruptcy Code, 2016, significant changes have been made in the capital structure, liabilities, and assets of the Company. These changes include waiver of certain debts, conversion of debt into equity, cancellation of shares, revaluation of fixed assets, and write-off of certain current assets and investments. Accordingly, the financial statements for the year ended March 31, 2025 are **not comparable** with those of previous years.

For N.S. NANAVATI & CO.
Chartered Accountants
FRN: 134235W

(CA NITESH SHIRISHCHANDRA NANAVATI)
Proprietor
Membership No.: 143769
UDIN: 25143769BMSBXM2304

Date: 29.05.2025
Place: Ahmedabad

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

I have audited the internal financial controls over financial reporting of **KANEL INDUSTRIES LIMITED** ("the Company") as of 31 March, 2025 in conjunction with my audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For N.S. NANAVATI & CO.
Chartered Accountants
FRN: 134235W

(CA NITESH SHIRISHCHANDRA NANAVATI)
Proprietor
Membership No.: 143769
UDIN: 25143769BMSBXO1051

Date: 29.05.2025
Place: Ahmedabad

KANEL INDUSTRIES LTD

Reg. Off.: 1503, WESTPORT, SINDHU BHAVAN ROAD, NR. S P RING ROAD, AHMEDABAD, SHILAJ, AHMEDABAD, DASKROI, GUJARAT,
INDIA, 380059

(CIN- L15140GJ1992PLC017024)

STANDALONE BALANCE SHEET AS AT March 31, 2025

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

Particulars	Notes	As At March 31,2025	As At March 31, 2024*
I. ASSETS			
1 NON-CURRENT ASSETS			
a) Property, Plant and Equipment	1	1632.37	55.40
g) Financial Assets			
i. Investment	2	00.00	00.15
Total non-current assets		1632.37	55.55
2 CURRENT ASSETS			
a) Financial Assets			
i. Trade Receivables	3	00.00	291.04
ii. Cash and Bank Balances			
a) Cash and Cash Equivalents	4	03.18	01.04
b) Other Current Assets (to be specified)	5	00.27	179.53
Total Current Assets		03.45	471.61
TOTAL ASSETS (1 + 2)		1635.82	527.16
II EQUITY AND LIABILITIES			
1 EQUITY			
a) Equity Share Capital	6	1575.00	1841.24
b) Other Equity	7	15.76	-2578.17
Total Equity		1590.76	-736.92
2 LIABILITIES			
A. NON-CURRENT LIABILITIES			
a) Financial Liabilities			
i. Borrowings	8	35.06	979.44
Total Non-Current Liabilities (A)		35.06	979.44
B. CURRENT LIABILITIES			
a) Financial Liabilities			
i. Borrowings	8	00.00	87.64
ii. Trade and Other Payables	9		
A) Total Outstanding to Micro and Small Enterprise			
B) Total Outstanding to Others		00.00	110.39
b). Other Current Liabilities	10	00.00	86.56
c) Provisions	11	10.00	00.06
v. Current Tax Liability (Net)			
Total Current Liabilities (B)		10.00	284.65
Total Liabilities (A + B)		45.06	1264.08
TOTAL EQUITY AND LIABILITIES (1 + 2)		1635.82	527.16

*Pursuant to the approval of the Resolution Plan; the financial statements for the year ended March 31, 2025 are **not comparable** with those of previous years- (Refer Note No. 49)

Significant Accounting Policies
See accompanying notes to the Financial Statements
As per our report of even date attached

For and on behalf of the Board of Directors
KANEL INDUSTRIES LTD

For N. S. Nanavati & Co.
Chartered Accountants
Firm Regn. No. 134235W

KEYOOR BAKSHI
(Director & CFO)
(DIN- 00133588)

HARSHIT KACHCHHI
(Director)
(DIN- 08019394)

(CA. NITESH NANAVATI)
Proprietor
M.No. 143769
UDIN: 25143769BMSBXO1051
Place: Ahmedabad
Date: 29.05.2025

NARESH KANZARIYA
Company Secretary (Mem No: ACS 60683)
Place: Ahmedabad
Date: 29.05.2025

KANEL INDUSTRIES LTD

Reg. Off.: 1503, WESTPORT, SINDHU BHAVAN ROAD, NR. S P RING ROAD, AHMEDABAD, SHILAJ, AHMEDABAD, DASKROI, GUJARAT,
INDIA, 380059

(CIN- L15140GJ1992PLC017024)

STANDALONE STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2025

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

Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
A. INCOME			
1. Revenue from Operations	12	00.00	00.00
2. Other Income	13	00.51	00.20
TOTAL INCOME (1+2)		00.51	00.20
B EXPENSES			
1. Cost of Material Consumed		00.00	00.00
2. Changes in inventory of finished goods, stock in trade and WIP	14		
3. Purchase of Stock in Trade	15	00.00	00.00
4. Employee Benefit Expenses	16	00.00	00.00
5. Finance Costs	17	00.00	00.00
6. Depreciation and Amortization Expense	18	01.08	02.17
7. Other Expenses	19	05.03	25.26
TOTAL EXPENSE (1+2+3+4+5+6+7)		06.11	27.43
C PROFIT(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (A-B)		-05.60	-27.23
D EXCEPTIONAL ITEMS			
E PROFIT(LOSS) BEFORE TAX (C-D)		-05.60	-27.23
F TAX EXPENSE:	20		
1. Current Tax			00.00
2. MAT Credit Entitlement			00.00
3. Deferred Tax		00.00	00.00
Total Tax Expenses (1-2+3)		00.00	00.00
G PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (E-F)		-05.60	-27.23
H Profit/(loss) from discontinued operations			
I Tax expense of discontinued operations			
J Profit/(loss) from discontinued operations (after tax) (H+I)		00.00	00.00
K PROFIT OR LOSS FOR THE PERIOD (G+J)		-05.60	-27.23
L OTHER COMPREHENSIVE INCOME			
1. Items that will not be reclassified to profit or loss			
(a) Remeasurements of defined benefit plans			
(b) Equity instruments through other Comprehensive Income			
2. Income tax relating to items that will not be reclassified to profit or loss			
(a) Remeasurements of defined benefit plans			
(b) Equity instruments through other Comprehensive Income			
(c) Items that will be reclassified to profit or loss			
(d) Income tax relating to items that will be reclassified to profit or loss			
Total Other Comprehensive Income (1+2)		00.00	00.00
M Total Comprehensive (Loss) for the year (K+L)		-05.60	-27.23
Earnings/(Loss) per Share – (For continuing operation)	21	-0.04	-0.15

Significant Accounting Policies
See accompanying notes to the Financial Statements
As per our report of even date attached

For N. S. Nanavati & Co.

Chartered Accountants

Firm Regn. No. 134235W

(CA. NITESH NANAVATI)

Proprietor

M.No. 143769

UDIN: 25143769BMSBXO1051

Place: Ahmedabad

Date: 29.05.2025

For and on behalf of the Board of Directors
KANEL INDUSTRIES LTD

KEYOOR BAKSHI

(Director & CFO)

(DIN- 00133588)

HARSHIT KACHCHHI

(Director)

(DIN- 08019394)

NARESH KANZARIYA

Company Secretary (Mem No: ACS 60683)

Place: Ahmedabad

Date: 29.05.2025

KANEL INDUSTRIES LTD

Reg. Off.: 1503, WESTPORT, SINDHU BHAVAN ROAD, NR. S P RING ROAD, AHMEDABAD, SHILAJ, AHMEDABAD, DASKROI, GUJARAT,
INDIA, 380059
(CIN- L15140GJ1992PLC017024)

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2025

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

Particulars	As at March 31, 2025*	As at March 31, 2024
A Cash Flow From Operating Activities		
Profit (Loss) Before Tax	-5.60	-27.23
Adjustments For:		
Profit on Sale of Asset	-00.51	00.00
Depreciation and Amortisation Expenses	01.08	02.17
Operating (Loss) Before Working Capital Changes	-05.03	-25.06
Movements in Working Capital :		
(Increase) in Other Assets	01.77	00.00
Increase in Trade Payables	00.00	19.75
Increase in Other Liabilities	-39.68	-00.26
Cash (used) in operations	-42.94	-05.56
Direct Taxes Paid (Net of Refunds)		
Net Cash Outflow From Operating Activities	-42.94	-05.56
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)	00.00	-00.10
Proceeds from sale of Assets	10.77	00.00
Net Cash (Outflow) from Investing Activities	10.77	-00.10
C. Cash Flows From Financing Activities		
Increase /(Decrease) in Long Term Advances	00.00	05.70
Increase /(Decrease) in Non Current Borrowings	35.06	00.00
Net Cash Inflow from Financing Activities	35.06	05.70
D. Net Increase in Cash & Cash Equivalents (A + B + C)	02.89	00.04
E. Cash & Cash Equivalents at the beginning of the year / period	01.04	01.00
F. Cash & Cash Equivalents at the end of the year / period	03.18	01.04
Component of Cash and Cash Equivalents		
Cash on hand		
Balances with Scheduled Bank		
- On Current Accounts	03.18	01.04
- Deposits with original maturity of less than three months		
Cash and Cash Equivalents at the end of the year / period	03.18	01.04

*Pursuant to the approval of the Resolution Plan; the financial statements for the year ended March 31, 2025 are **not comparable** with those of previous years- (Refer Note No. 49)

Notes:

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on "Cash Flow Statement" issued by ICAI.
2. The previous year figures have been regrouped/restated wherever necessary to confirm to this year's classification.

Ind AS 7 Statement of Cash Flows: Disclosure Initiative

Ind AS 7 require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Company has provided the information for current period.

As at March 31, 2025

Particulars	Opening Balance	Non Cash Changes*	Cash Flows	Closing Balance*
Long term Borrowings	979.44	-979.44	35.06	35.06
Short term Borrowings	87.64	-87.64	00.00	00.00
Total liabilities from financing activities	1067.08	-1067.08	35.06	35.06

As at March 31, 2024

Particulars	Opening Balance	Non-Cash Changes	Cash Flows	Closing Balance
Long term Borrowings	973.74	00.00	5.70	979.44
Short term Borrowings	87.64	00.00	00.00	87.64
Total liabilities from financing activities	1061.97	00.00	5.70	1067.08

Significant Accounting Policies
See accompanying notes to the Financial Statements
As per our report of even date attached

For and on behalf of the Board of Directors
KANEL INDUSTRIES LTD

For N. S. Nanavati & Co.
Chartered Accountants
Firm Regn. No. 134235W

KEYOOR BAKSHI
(Director & CFO)
(DIN- 00133588)

HARSHIT KACHCHHI
(Director)
(DIN- 08019394)

(CA. NITESH NANAVATI)
Proprietor
M.No. 143769
UDIN: 25143769BMSBXO1051
Place: Ahmedabad
Date: 29.05.2025

NARESH KANZARIYA
Company Secretary (Mem No: ACS 60683)
Place: Ahmedabad
Date: 29.05.2025

A. Corporate Information

KANEL INDUSTRIES LIMITED ("the Company") is a public limited company, incorporated and domiciled in India, having its registered office at 1503, WESTPORT, SINDHU BHAVAN ROAD, NR. S P RING ROAD, AHMEDABAD, SHILAJ, AHMEDABAD, DASKROI, GUJARAT, INDIA, 380059. The equity shares of the Company are listed on BSE Limited. The Company is primarily engaged in the business of Trading of Cotton / Ground nut seeds / castor seeds and Oil.

B. Material Accounting policies

I. Basis of preparation and presentation and Statement of compliance:

These standalone Financial Statements have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 (Act) read with Companies (Indian Accounting Standards) Rules as amended from time to time and Presentation and disclosure requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS Compliant Schedule III) as amended from time to time. The Company follows indirect method prescribed in Ind AS 7 – Statement of Cash Flows for presentation of its cash flows. The Financial Statements have been prepared under historical cost convention basis except for certain financial assets and financial liabilities which have been measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realization in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Standalone Financial Statements have been presented in Indian Rupees (INR), which is the Company's functional currency. All values are rounded to the Lakhs except otherwise stated. All financial information presented in INR has been rounded off to the nearest two decimals, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

II. Summary of Material Accounting Policies

a) Current and non-current classification:

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is classified as current when it satisfies any of the following criteria: it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle.

It is held primarily for the purpose of being traded non-Current;

- It is expected to be realized within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.
- All other assets are classified as non-current.

It is held primarily for the purpose of being traded Current

- A liability is classified as current when it satisfies any of the following criteria:
- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is due to be settled within 12 months after the reporting date; or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.
- All other liabilities are classified as non-current.
- Deferred tax assets and liabilities are classified as non-current only
- The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.
- Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets. In case of land the Company has availed historical cost as deemed cost on the date of transition to Ind AS.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

An item of spare parts that meets the definition of 'property, plant and equipment' is recognized as property, plant and equipment.

Capital work in progress is stated at cost and net of accumulated impairment losses, if any. All the direct expenditure related to implementation including incidental expenditure incurred during the period of implementation of a project, till it is commissioned, is accounted as Capital work in progress (CWIP) and after commissioning the same is transferred / allocated to the respective item of property, plant and equipment. Other Indirect Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress.

Pre-operating costs, being indirect in nature, are expensed to the statement of profit and loss as and when incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

Depreciation on Property, Plant and Equipment is provided using written down value method on depreciable amount. The depreciation on an item of spare part will begin when the asset is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. In case of a spare part, as it may be readily available for use, it may be depreciated from the date of purchase of the spare part. However, land is not depreciated. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following assets, where useful life is as under:

Assets	Estimated useful life by management
Buildings	28 to 40 Years
Plant and machinery	15 Years
Furniture and fixtures	10 Years
Office equipment	5 Years
Motor Vehicle	10 to 12 Years
Computers end use device	2 to 7 years

Depreciation on additions is calculated on pro rata basis with reference to the date of addition. Depreciation on assets sold/ discarded, during the period, has been provided up to the preceding month of sale / discarded. The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains / (losses).

c) Intangible Asset:

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the company and the cost of the asset can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The Company assesses if useful life of an intangible asset is finite or indefinite.

d) Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of finished goods, work-in-progress, raw materials, stores and spares, packing materials, trading and other products are determined on first in, first out basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

e) Provisions, Contingent liabilities, Contingent assets and Commitments

General

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liability is disclosed in the case of:

1. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
2. A present obligation arising from the past events, when no reliable estimate is possible;
3. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

The company provides for the expenses to reclaim the quarries used for mining. The total estimate of reclamation expenses is apportioned over the estimate of mineral reserves and a provision is made based on the minerals extracted during the year. Mines reclamation expenses are incurred on an ongoing basis and until the closure of the mine. The actual expenses may vary based on the nature of reclamation and the estimate of reclamation expenditure

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

f) Current and Deferred Taxes

The tax expenses for the period comprise of current tax and deferred tax.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the rates and tax laws enacted or substantively enacted, at the reporting date in the country where the entity operates and generates taxable income. Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their corresponding carrying amounts for the financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized an asset in accordance with recommendations contained in Guidance Note issued by ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to an extent there is no longer convincing evidence to the effect that the company will pay normal Income Tax during the specified period.

g) Revenue recognition

Revenue from contract with customers Revenue from contracts with customers is recognized upon transfer of control of promised goods/ products to customers at an amount that reflects the consideration to which the Company expect to be entitled for those goods/ products. To recognize revenues, the Company applies the following five-step approach:

- Identify the contract with a customer,
- Identify the performance obligations in the contract,
- Determine the transaction price,
- Allocate the transaction price to the performance obligations in the contract, and
- Recognize revenues when a performance obligation is satisfied.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, related discounts & incentives and volume rebates. It includes excise duty and excludes value added tax/ sales tax/goods and service tax.

Sale of goods – non-cash incentive schemes (deferred revenue)

The company operates a non-cash incentive scheme program where dealers / agents are entitled to non-cash incentives on achievement of sales targets. Revenue related to the non-cash schemes is deferred

and recognized when the targets are achieved. The amount of revenue is based on the realization of the sales targets to the period of scheme defined.

h) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that a company incurs in connection with the borrowing of funds.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization.

i) Employee Benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short-term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered the service entitling them to the contribution.

No benefits have been provided by the Company under the defined benefits plan. Thus, no re measurement comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur

No net defined benefit obligation as an expense has been recognized in the statement of profit and loss:

1. Long-term employee benefits

Post-employment and other employee benefits are recognized as an expense in the statement of profit and loss for the period in which the employee has rendered services. A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

2. Defined contribution plans

The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. Company as not comply with the provisions of Gratuity Plan as required as per INDAS 19.

j) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measure reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

There are no Investment Properties in name of Company.

k) Other Investments

The Company carries certain Liquid funds which are registered under SEBI and traded on Stock Market, the said funds are not held for trading. The company has recorded its investment in equity instruments at its acquisition cost.

l) Investment in subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates are recognized at cost as per Ind AS 27. Except where investments accounted for at cost shall be accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

Company has wholly owned subsidiary.

m) Impairment of non-financial assets

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or company's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is determined:

- i. In case of individual asset, at higher of the fair value less cost to sell and value in use; and
- ii. In case of cash-generating unit (a company of assets that generates identified, independent cash flows), at the higher of the cash-generating unit's fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

n) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

o) Segment accounting

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The Operating segments have been identified on the basis of the nature of products/services.

The accounting policies adopted for segment reporting are in line with the accounting policies of the company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter Segment revenue is accounted on the basis of transactions which are primarily determined based on market/fair value factors. Revenue, expenses, assets and liabilities which relate to the company as a whole and are not allocated to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

p) Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders. Interim dividends are recorded as a liability on the date of declaration by the Company's Board. Income tax consequences of dividends on financial instruments classified as equity will be recognized according to where the entity originally recognized those past transactions or events that generated distributable profits.

The Company declares and pays dividends in Indian Rupees. Companies are required to pay / distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

q) Earnings per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The diluted potential equity shares have been arrived at, assuming that the proceeds receivable were based on shares having been issued at the average market value of the outstanding shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that would, if issued, either reduce future earnings per share or increase loss per share, are included.

r) Financial Instruments

a) Financial Assets

Purchase and sale of Financial Assets are recognised using trade date accounting. Trade receivables that do not contain a significant financing component are measured at transaction price.

The Company has elected to account for its investments in subsidiaries, associates and joint venture at cost less impairment loss (if any).

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'. However, dividend on such equity investments are recognised in Statement of Profit and loss when the Company's right to receive payment is established. Further investment in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be measured are quoted at Cost.

Other Financial Assets are generally measured at Fair Value Through Profit or Loss (FVTPL) except where the Company, based on the business model objectives, measures these at Amortized Cost or Fair Value Through Other Comprehensive Income (FVTOCI). Company has made disclosure of measurement method in notes to account.

The Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit or Loss (FVTPL). For Trade Receivables, the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed. For other assets, the Company uses 12-month ECL to provide for impairment loss where there is no significant increase in credit risk.

b) Financial Liabilities:

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts are determined to approximate fair value due to the short maturity of these instruments.

c) Offsetting:

Financial Assets and Financial Liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

C. Use of estimates and judgements

The preparation of the Company's Financial Statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years.

In the assessment of the Company, the most significant effects of use of judgments and/or estimates on the amounts recognized in the financial statements are in respect of the following:

- Useful lives of property, plant & equipment;
- Valuation of inventories;
- Measurement of recoverable amounts of assets / cash-generating units;
- Assets and obligations relating to employee benefits;
- Evaluation of recoverability of deferred tax assets; and
- Provisions and Contingencies

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The company has identified twelve months as its operating cycle translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Current tax
- Fair valuation of unlisted securities

For estimates relating to fair value of financial instruments refer note to financial statement.

D. Functional and presentation currency:

These standalone financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest lakhs, except as stated otherwise.

E. Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as per the requirements of Schedule III, unless otherwise stated.

Recent accounting pronouncements

Recent pronouncements Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

KANEL INDUSTRIES LTD
CIN- L15140GJ1992PLC017024
NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2025

Ind AS 12 – Income Taxes The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

The Group does not expect this amendment to have any significant impact in its financial statements.

Significant Accounting Policies
See accompanying notes to the Financial Statements
As per our report of even date attached

For and on behalf of the Board of Directors
KANEL INDUSTRIES LTD

For N. S. Nanavati & Co.
Chartered Accountants
Firm Regn. No. 134235W

KEYOOR BAKSHI
(Director & CFO)
(DIN- 00133588)

HARSHIT KACHCHHI
(Director)
(DIN- 08019394)

(CA. NITESH NANAVATI)
Proprietor
M.No. 143769
UDIN: 25143769BMSBXO1051
Place: Ahmedabad
Date: 29.05.2025

NARESH KANZARIYA
Company Secretary (Mem No: ACS 60683)
Place: Ahmedabad
Date: 29.05.2025

NOTE – 1: PROPERTY, PLANT AND EQUIPMENT

For the year ended on March 31,2025

(Rs in Lakhs)

Description of Assets	Free Hold Land	Factory Building	Office Building	Office Equipment	Total
I. Cost					
Balance as at 1st April, 2024	1460.45	10.00	173.00	00.26	1643.71
Additions during the year	00.00	00.00	00.00	00.00	00.00
Disposals during the year	00.00	-10.00*	00.00	-00.26*	-10.26
Balance as at March 31, 2025	1460.45	00.00	173.00	00.00	1633.45
II. Accumulated depreciation					
Balance as at 1st April, 2024	00.00	00.00	00.00	00.00	00.00
Depreciation expense for the year	00.00	00.50	00.58	00.00	01.08
Disposals during the year	00.00	00.00	00.00	00.00	00.00
Balance as at March 31, 2025	00.00	00.50	00.58	00.00	01.08
III. Net Block					
As at March 31, 2025	1460.44	-00.50	172.42	00.00	1632.37

* During the company has disposed of scraped office Equipments and scrape from building. Amount received from such disposal is recorded as other income under profit and loss account.

For the year ended on March 31,2024

(Rs in Lakhs)

Description of Assets	Free Hold Land	Factory Building	Office Building	Office Equipment	Total
I. Cost					
Balance as at 1st April, 2023	37.97	177.77	44.08	14.22	274.05
Additions during the year	00.00	00.00	00.00	00.10	00.10
Disposals during the year	00.00	00.00	00.00	00.00	00.00
Balance as at March 31, 2024	37.97	177.77	44.08	14.32	274.15
II. Accumulated depreciation					
Balance as at 1st April, 2023	00.00	168.18	34.38	14.02	216.58
Depreciation expense for the year	00.00	01.00	01.14	00.03	02.17
Disposals during the year	00.00	00.00	00.00	00.00	00.00
Balance as at March 31, 2024	00.00	169.18	35.52	14.05	218.75
III. Net Block					
As at March 31, 2024	37.97	08.59	08.56	00.27	55.40

NOTE 1. 1 OTHER INFORMATION PPE:**1. Details of title deeds of immovable properties not held in the name of the Company:**

The company does not have any immovable property whose title deeds are not in the name of the company.

2. Capital work-in-Progress Ageing Schedule:

In absence of any Capital Work In Progress such details are not applicable

3. Details of revaluation of PPE:

During the year, pursuant to the Resolution Plan approved by the Hon'ble NCLT, the Company has revalued its freehold land, factory building, office building and other fixed assets at their fair values based on an independent valuation carried out by a registered valuer.

The impact of revaluation is as under:

(Rs. In Lakhs)

Particulars	Book Value	Revised Value	Increase on Revaluation
Freehold Land	37.97	1460.45	14224.49
Factory Building	08.09	10.00	01.91
Office Building	08.00	173.00	165.00
Office Equipment	00.26	00.26	—
Total	54.32	1643.71	1589.39

The net increase on account of revaluation amounting to Rs.1589.39 lakhs has been credited to **Other Comprehensive Income (OCI)** and accumulated under **Revaluation Reserve** in Equity in accordance with Ind AS requirements.

The movement in Revaluation Reserve during the year is as under:

(Rs. In Lakhs)

Particulars	Rs.
Opening Balance	Nil
Add: Created during the year on revaluation	1589.39
Closing Balance	1589.39

4. Details of Intangible Asset under development:

There is no intangible asset under development as at the year-end

5. Details of Charge Created on PPE:

No charges or satisfaction is pending to be registered with Registrar of Companies beyond the statutory period

NOTE- 2 – NON-CURRENT INVESTMENT

(Rs. In Lacks)

Particulars	As At March 31, 2025	As At March 31, 2024
Ahmedabad Comm. Exch. Ltd. - Shares	00.00	00.05
Fixed Deposit	00.00	00.10
Total	00.00	00.15

KANEL INDUSTRIES LTD

CIN- L15140GJ1992PLC017024

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2025

NOTE- 3- CURRENT FINANCIAL ASSETS- TRADE RECEIVABLES

(Rs. In Lacks)

Particulars	As At March 31, 2025	As At March 31, 2024
Undisputed Trade receivables- Considered good	00.00	291.04
Less: Expected Credit Loss	00.00	00.00
Total	00.00	291.04

Trade receivables ageing schedule

As at March 31, 2025

(Rs. In Lacks)

Particulars	Not Due	Less than 6 Months	6 Months- 1 year	1 Year- 2 year	2-3 Years	More than 3 years	Total
Undisputed Trade receivables - Considered good	-	-	-	-	-	-	-
Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables- Considered good	-	-	-	-	-	-	-
Disputed Trade receivables- considered doubtful	-	-	-	-	-	-	-
Disputed Trade receivables- credit impaired	-	-	-	-	-	-	-
Total	00.00	00.00	00.00	00.00	00.00	00.00	00.00

As at March 31, 2024

(Rs. In Lacks)

Particulars	Not Due	Less than 6 Months	6 Months- 1 year	1 Year- 2 year	2-3 Years	More than 3 years	Total
Undisputed Trade receivables- Considered good	-	-	-	-	-	291.04	291.04
Undisputed Trade receivables- considered doubtful	-	-	-	-	-	-	-
Undisputed Trade receivables- credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables- Considered good	-	-	-	-	-	-	-
Disputed Trade receivables- considered doubtful	-	-	-	-	-	-	-
Disputed Trade receivables- credit impaired	-	-	-	-	-	-	-
Total	00.00	00.00	00.00	00.00	00.00	291.04	291.04

KANEL INDUSTRIES LTD

CIN- L15140GJ1992PLC017024

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2025

NOTE- 4- CURRENT FINANCIAL ASSETS- CASH AND CASH EQUIVALENTS

(Rs. In Lacks)

Particulars	As At March 31, 2025	As At March 31, 2024
Cash and Cash Equivalents		
Balances with Banks	00.89	00.79
Cash on Hand	02.29	00.25
Total	03.18	01.04

Note 4.1 – Cash and Cash equivalent Components

Cash and Cash Equivalent	As At March 31, 2025	As At March 31, 2024
Balance with Bank	00.89	00.79
In Deposit Accounts:		
Fixed deposits having maturity of less than 3 month	00.00	00.00
Fixed deposits having maturity of more than 3 months	00.00	00.00
Fixed deposits having maturity of more than 12 months	00.00	00.00
Sub Total	00.00	00.00
Less: Fixed deposits having maturity of more than 12 months	00.00	00.00
included in Note – Non Current Investment	00.00	00.10
Total	0.89	0.89

Note: 4.2 The details of fixed deposits pledged with banks

Particulars	As At March 31, 2025	As At March 31, 2024
Fixed deposits pledged with banks as security against credit facilities	00.00	00.00
Fixed deposits pledged with banks as security against overdraft facility	00.00	00.00
Total	00.00	00.00

NOTE- 5- OTHER CURRENT ASSETS

(Rs. In Lacks)

Particulars	As At March 31, 2025	As At March 31, 2024
Security Deposits	00.00	05.53
Balances with Government Authorities*	00.27	22.65
Other loans and advances - <i>Considered Doubtful</i>	00.00	151.36
Total	00.27	179.53

*Note: Balance with Revenue Authorities includes Advance Tax, GST Credit, TCS Receivables

NOTE-6 – SHARE CPAITAL

(Rs. In Lacks)

Particular	As At March 31, 2025	As At March 31, 2024
AUTHORISED		
15750000* (P.Y.20000000) Equity Shares of ₹ 10/- each	1575.00	2000.00
Total	1575.00	2000.00
ISSUED, SUBSCRIBED AND FULLY PAID-UP SHARE CAPITAL		
15750000* (P.Y. 18412440) Equity Shares of ₹ 10/- Each fully Paid up (PY ₹ 10/- Each fully Paid up)	1575.00	1841.24
Total	1575.00	1841.24

* Company has cancelled certain equity shares and issued equity shares against conversion of secured debt. Refer Note No 49.

1. The Reconciliation of Number of Equity Shares outstanding at the beginning and at the end of the year.

Particulars	As at March 31, 2025		As at March 31, 2024	
	No of Shares	Rs. in Lacs	No of Shares	Rs. in Lacs
As the beginning of the year/ period	184.12	1841.24	184.12	1841.24
Share Capital Cancelled / Reduced during the year*	(176.25)	(1762.49)	-	-
Share capital issued during the year/ period*	149.63	1496.25	-	-
Outstanding at the end of the year/ period	157.50	1841.24	184.12	1841.24

* on account of approved Resolution Plan – Refer Note 49.

2. Rights, preferences and restrictions attached to equity shares

Equity Shares

The Company has one class of equity shares having par value of Rs. 10/- per share. Each member is eligible for one vote per share held. Company has not declared any dividend till date of this report for the current financial year. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

3. The Company does not have any holding company.
4. The details of Shareholders holding more than 5 % of Shares

Particulars	As at March 31, 2025		As at March 31, 2024		Change (%)
	No. of shares held *	% of Total paid up Equity Share Capital	No. of shares held	% of Total paid up Equity Share Capital	
DHIREN K THAKKAR	-	-	00.14	7.43%	-7.43%
ARDENT AVENUES LLP**	149.63	95%	-	-	+95%*

* Equity shares of Rs. 10/- each fully paid

**on account of approved Resolution Plan – Refer Note 49

5. Shares held by promoters

(Rs. In Lakhs)

Particulars	As at March 31, 2025		As at March 31, 2024		Change (%)
	No. of shares held *	% of Total paid up Equity Share Capital	No. of shares held	% of Total paid up Equity Share Capital	
DHIREN K THAKKAR	-	-	00.14	7.43%	-7.43%
ARDENT AVENUES LLP**	149.63	95%	-	-	+95%*

*Equity shares of Rs. 10/- each fully paid

**on account of approved Resolution Plan – Refer Note 49

There is change in shareholding of promoters on account of approval of Resolution Plan by NCLT Ahmedabad. Refer Note No. 49. The shareholding of previous promoter was cancelled by virtue of that resolution plan.

Particulars	Aggregate number of shares				
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Equity shares with voting rights	157.50	184.12	184.12	184.12	184.12
Fully paid up pursuant to contracts without payment being received in cash					
Fully paid up by way of bonus shares					
Shares bought back					
Share Cancelled / Capital Reduction*	176.25				
Fully Paid up by way of conversion of loan to equity*	149.63				

*on account of approved Resolution Plan – Refer Note 49

NOTE – 7- OTHER EQUITY

(Rs. In Lacks)

Particular	As At March 31, 2025	As At March 31, 2024
Security Premium	1770.00	1770.00
General Reserve	93.59	93.59
Capital Reserve	85.00	85.00
Other Comprehensive Income	-	-
Retained Earnings	-4534.67	-4526.76
Revaluation Reserve	1589.39	-
Capital Reserve – On account of NCLT Order*	1012.45	-
Total	15.76	-2578.17

* Refer Note No 49.

Description of nature and purpose of each Reserve:**a) Capital Reserve**

Created pursuant to the implementation of the Resolution Plan approved by the Hon'ble NCLT, Ahmedabad Bench under the Insolvency and Bankruptcy Code, 2016. Represents net credits arising after capital reduction, waiver of creditors' claims, settlement of statutory dues, write-off of certain assets, and other adjustments. Not available for distribution as dividend.

b) Equity Security Premium

The amount received in excess of face value of the equity shares is recognised in equity security premium.

c) Revaluation Reserve

Represents surplus arising from revaluation of Freehold Land, Factory Building, and Office Building carried out in accordance with the Resolution Plan and Ind AS 16 (Property, Plant and Equipment). The reserve will be transferred to Retained Earnings to the extent of additional depreciation arising on revaluation or on disposal of the revalued assets

d) General Reserve

General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

e) Other Comprehensive income

1. The fair value change of the equity instruments measured at fair value through other comprehensive income is recognized in equity instruments through Other Comprehensive Income.
2. The remeasurement gain/(loss) on net defined benefit plans is recognized in Other Comprehensive Income net of tax.

f) Retained Earnings

Retained earnings are the profits that the Company has earned till date less transfer to other reserves, dividends or other distributions to shareholders.

NOTE 9.1 OTHER EQUITY

As at March 31, 2025

(Rs. In Lakhs)

Particulars	Securities Premium	Amalgamation Surplus Reserve	General Reserve	Revaluation Reserve * Refer Note 49	Capital reserve (on NCLT Order under IBC) (net)* Refer Note 49	Retained earnings	Total other equity
Balance as at April 1, 2024	1770.00	93.59	85.00	-	-	-4526.76	-2578.17
Addition on account of NCLT Order under IBC				1589.39	2626.08		4215.47
Changes in accounting policies or prior period errors	-	-	-	-	-	-02.31	-02.31
Profit/Loss for the year	-	-	-	-	-	-05.60	-05.60
Other comprehensive income/(loss) for the year	-	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	-	-	-

KANEL INDUSTRIES LTD
CIN- L15140GJ1992PLC017024
NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2025

Share-based payments	-	-	-	-	-	-	-
Reduction of share capital in accordance with approved Scheme of Arrangement / Adjustment As per NCLT Order under IBC (Refer Note 49)	-	-	-	-	(1613.63)	-	(1613.63)
Balance as at March 31, 2025	1770.00	93.59	85.00	1589.39	1012.45	-4534.67	15.76

As at March 31, 2024

(Rs. In Lakhs)

Particulars	Securities Premium	Amalgamation Surplus Reserve	General Reserve	Revaluation Reserve * Refer Note 49	Capital reserve (on NCLT Order under IBC) (net)* Refer Note 49	Retained earnings	Total other equity
Balance as at April 1, 2023	1770.00	93.59	85.00	-	-	-4499.53	-2550.94
Addition on account of NCLT Order under IBC	-	-	-	-	-	-	-
Changes in accounting policies or prior period errors	-	-	-	-	-	-	-
Profit/Loss for the year	-	-	-	-	-	-27.23	-27.23
Other comprehensive income/(loss) for the year	-	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	-
Reduction of share capital in accordance with approved Scheme of Arrangement / Adjustment As per NCLT Order under IBC (Refer Note 49)	-	-	-	-	-	-	-
Balance as at March 31, 2024	1770.00	93.59	85.00	-	-	-4526.76	-2578.17

NOTE – 8- CURRENT FINANCIAL LIABILITIES- BORROWINGS

(Rs. In Lacks)

Particulars	As At March 31, 2025	As At March 31, 2024
Non-Current- Unsecured Loan- At Amortised Cost		
Secured	00.00	00.00
a. Bonds / Debenture		
b. Inter-Corporate borrowing- Ardent Ventures LLP	35.06	357.40
b. Loan from Director – Related party	00.00	00.00
Unsecured		
a) Loans and Advances from Related Parties		
Kanaiyalal J Thakkar (H U F)	00.00	75.00
Dhiren K Thakkar	00.00	239.59
Monika H Thakkar	00.00	20.00
Neelaben K Thakkar	00.00	40.00

KANEL INDUSTRIES LTD

CIN- L15140GJ1992PLC017024

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2025

Hitesh K Thakkar	00.00	192.53
b) Other Loans and Advances	00.00	
Kadam Exports Pvt. Ltd.	00.00	08.50
Maxrotth Foods Ltd	00.00	00.00
Tushar N Shah	00.00	40.72
Total Non-Current Borrowing	35.06	973.74
Current		
Unsecured		
i. From Banks	00.00	00.00
ii. Loans and Advances from Related Parties	00.00	00.00
Aastha Complex	00.00	03.00
Shakti Nutraceuticals Pvt Ltd	00.00	84.64
Total Current Borrowing	00.00	87.64
Total	35.06	1061.37

NOTE – 9- CURRENT FINANCIAL LIABILITIES- TRADE PAYABLE

(Rs. In Lacks)

Particulars	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises – Current Financial Liabilities	00.00	00.00
Total outstanding dues of creditors other than micro enterprises and small enterprises- Current Financial Liabilities	00.00	110.39
Total	00.00	110.39

Trade Payable ageing schedule

As at March 31, 2025

(Rs. In Lacks)

Particulars	Unbilled	Less than 6 Months	6 Months- 1 year	1 Year- 2 year	2-3 Years	More than 3 years	Total
MSME	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Disputed dues- MSME	-	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

As at March 31, 2024

(Rs. In Lacks)

Particulars	Unbilled	Less than 6 Months	6 Months- 1 year	1 Year- 2 year	2-3 Years	More than 3 years	Total
MSME	-	-	-	-	-	-	-
Others	-	-	19.75	-	90.64	-	110.39
Disputed dues- MSME	-	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-	-
Total	-	-	19.75	-	90.64	-	110.39

KANEL INDUSTRIES LTD**CIN- L15140GJ1992PLC017024****NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2025****Payable to MSME Suppliers**

Information required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and Schedule III of the Companies Act, 2013 for the year ended March 31, 2025. This information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by auditors.

Sr No	Particulars	As at March 31, 2025	As at March 31, 2024
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
	Principal Interest	Nil Nil	Nil Nil
2	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	Nil	Nil

NOTE – 10- CURRENT LIABILITIES- OTHERS**(Rs. In Lacks)**

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory Dues Payable	00.00	85.86
Audit Fees Payable 2023-24	00.00	00.70
Total	00.00	86.56

NOTE – 11- CURRENT FINANCIAL LIABILITIES- PROVISIONS**(Rs. In Lacks)**

Particulars	As at March 31, 2025	As at March 31, 2024
Short Term Provisions for Expenses	10.00	00.06
Total	10.00	00.06

NOTE – 12- REVENUE FROM OPERATIONS

(Rs. In Lacks)

Particulars	For the year ended 31, 2025	For the year ended 31, 2024
Sale of Products		
Finished goods (Net of Return)	00.00	00.00
Total	00.00	00.00

NOTE – 13 – OTHER INCOME

(Rs. In Lacks)

Particulars	For the year ended 31, 2025	For the year ended 31, 2024
Profit on Sale of Plant and Machinery	00.51	00.01
Other Misc Income	00.00	00.20
Total	00.51	00.20

NOTE – 14– CHANGES IN INVENTORY OF FINISHED GOODS, STOCK IN TRADE AND WIP

(Rs. In Lacks)

Particulars	For the year ended 31, 2025	For the year ended 31, 2024
Change in inventories of finished goods		
Opening stock	00.00	00.00
Closing stock	00.00	00.00
Subtotal (a)	00.00	00.00
Change in inventories of work-in-progress		
Opening stock	00.00	00.00
Closing stock	00.00	00.00
Subtotal (b)	00.00	00.00
Change in inventories of Raw Material		
Opening stock	00.00	00.00
Closing stock	00.00	00.00
Subtotal (c)	00.00	00.00
Total (a)+(b)+(c)	00.00	00.00

NOTE – 15 – PURCHASE OF STOCK IN TRADE

(Rs. In Lacks)

Particulars	For the year ended 31, 2025	For the year ended 31, 2024
Purchase of Goods	00.00	00.00
Total	00.00	00.00

NOTE – 16 – EMPLOYEE BENEFITS EXPENSES

(Rs. In Lacks)

Particulars	For the year ended 31, 2025	For the year ended 31, 2024
Salaries and Wages	00.00	00.00
Leave Encashment Expense	00.00	00.00
Bonus	00.00	00.00
	-	-
Total	00.00	00.00

NOTE – 17 – FINANCE COSTS

(Rs. In Lacks)

Particulars	For the year ended 31, 2025	For the year ended 31, 2024
Bank Charges	00.00	00.00
Other Interest Expenses	00.00	00.00
Total	00.00	00.00

NOTE – 18– DEPRECIATION AND AMORTISATION EXPENSES

(Rs. In Lacks)

Particulars	For the year ended 31, 2025	For the year ended 31, 2024
"Depreciation of property, plant and equipment (refer note 1)	01.08	02.17
Amortization of intangible assets	-	-
Total	01.08	02.17

NOTE – 19 – OTHER EXPENSES

(Rs. In Lacks)		
Particulars	For the year ended 31, 2025	For the year ended 31, 2024
Auditor's Remuneration		
1) As Statutory Audit	00.70	00.70
2) As Tax Audit	00.00	00.00
Legal and Professional Charges	00.00	00.00
Maintenance & Repairs	04.33	00.66
Miscellaneous expenses	00.00	04.48
Power, Fuel & Light	00.00	00.93
Prior Period Items	00.00	00.00
RP Fees	00.00	00.00
Stock Exchange Exp	00.00	01.16
Rate Taxes	00.00	17.32
Total	05.03	25.26

NOTE- 20- TAX EXPENSES

(Rs. In Lacks)		
Particulars	For the year ended 31, 2025	For the year ended 31, 2024
<u>Tax Expenses Recognised in Statement of Profit and Loss</u>		
Current tax		
Continuing Operations	00.00	00.00
Discontinued Operations	00.00	00.00
Deferred tax		
Deferred tax	00.00	00.00
Total	00.00	00.00

Note 20(A):

Income Tax Expenses consists of current and deferred income tax. Income tax expenses are recognized in net profit in Statement of Profit & Loss. Current income tax for current and prior period is recognized at the amount expected to be paid from the tax authorities, using the tax rates. Deferred Income tax assets and liabilities are recognized for all temporarily differences arising from tax base of assets and liabilities and their carrying amount in the financial statements.

(Rs. In Lacks)		
Particulars	For the year ended 31, 2025	For the year ended 31, 2024
Current income tax charge	00.00	00.00
Deferred Tax Expenses/ (Deferred Tax Income)	00.00	00.00
Previous year tax adjustment	00.00	00.00
Total	00.00	00.00

Note 20(B): Tax expenses for the year can be reconciled to the accounting profit as follows:

Particulars	(Rs. In Lacks)	
	For the year ended 31, 2025	For the year ended 31, 2024
Profit Before Tax from Continuing Operations	00.00	00.00
Profit Before Tax from Discontinued Operations	00.00	00.00
Total Profit	00.00	00.00
Applicable Tax Rate	25.16%	25.16%
Computed Tax Expense	00.00	00.00
Tax effect of:		
Carried Forward Losses Utilised	00.00	00.00
Current Tax Provision (A)	00.00	00.00
Incremental Deferred Tax Liability / (Asset)		
on account of Property, Plant and Equipment	00.00	00.00
Deferred Tax Provision (B)	00.00	00.00
Tax Expenses recognised in Statement of Profit and Loss (A+B)	00.00	00.00
Effective Tax Rate	00.00	00.00

Note 20(C): THE TAX EFFECT OF SIGNIFICANT TEMPORARILY DIFFERENCES THAT RESULTED IN DEFERRED INCOME TAX ASSETS AND LIABILITIES ARE AS FOLLOWS:

Particulars	(Rs. In Lacks)	
	For the year ended 31, 2025	For the year ended 31, 2024
Deferred Tax Assets		
Provision for Employee Benefits	-	-
Others	-	-
Total Deferred Income tax assets	-	-
Deferred Tax Liabilities		
Difference of Depreciation as per I. Tax & Companies Act	00.00	00.00
Total Deferred Income tax liabilities	00.00	00.00

NOTE – 21 – EARNING PER SHARE

Particulars	(Rs. In Lakhs, Except EPS)	
	As at March 31, 2025	As at March 31, 2024
Net Profit/(Loss) for the year (Amount in Rs.)	-05.60	-27.23
Number of equity shares (Weighted Average)	157.50	184.12
Basic Earnings per Share (Rs.)	-0.04	-0.15
Diluted Earnings Per Share (Rs.)	-0.04	-0.15

Registered Office :

1503- West Port, Sindhubhavan
Road, NR. S.P. Ring road,
Ahmedabad - 380059
Contact No: +91 63544 37779
Mail id: ardent.ind99@gmail.com

Website : www.kanel.in

CIN : L15140GJ1992PLCO17024

**KANEL INDUSTRIES LTD.****ATTENDANCE SLIP**

Regd. Folio No.	
D.P. I.D.	
Client I.D.	
No. of Shares held	
Name and Address of the First Shareholder IN BLOCK LETTERS)	
Name of the Joint holder (if any)	

I/we hereby record my/our presence at the 33rd Annual General Meeting of the Members of the KANEL INDUSTRIES LIMITED will be held on Tuesday 30th September, 2025 at 09:30 a.m. at the Registered office of the Company at 1503, Westport, Sindhubhavan Road, Nr. S.P. Ring Road, Ahmedabad-380059, Gujarat.

Member's/Proxy's Name in Block Letters

Member's/Proxy's Signature

Note: Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

Note: Shareholder/Proxyholder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.

-----Please tear here-----

PROXY FORM

(Form No. MGT-11 - Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s)	
Registered Address	
E-mail Id	
Folio No/ Client Id	
DP ID:	

I/We, being the member (s) of..... shares of the above named company, hereby appoint

1. Name: _____
Address: _____
E-mail Id: _____ Signature: _____ or failing him
2. Name: _____
Address: _____
E-mail Id: _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the Members of the KANEL INDUSTRIES LIMITED will be held on Tuesday 30th September, 2025 at 09:30 a.m. at the Registered office of the Company at 1503, Westport, Sindhubhavan Road, Nr. S.P. Ring Road, Ahmedabad-380059, Gujarat or at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
1.	To Receive, Consider, Approve and Adopt the Audited Statement of Accounts i.e. The Audited Balance Sheet as at 31 st March, 2025, the Profit & Loss Account for the year ended on that date, the report of the Auditors and Directors thereon			
2.	To regularize appointment Mr. Bhavin Arvindbhai Mehta (DIN: 00023850) as Independent Non Executive Director of the Company, to consider and if thought fit, to pass the following special business as an ordinary resolution			
3.	To regularize appointment Ms. Jasmin Jaykumar Doshi (DIN: 08686876) as Independent Non Executive Director of the Company, to consider and if thought fit, to pass the following special business as an ordinary resolution			
4.	Alteration of Main Object Clause of the Memorandum of Association of the Company			
5.	TO SEEK APPROVAL UNDER SECTION 180(1)(a) OF THE COMPANIES ACT, 2013 INTER ALIA FOR CREATION OF MORTGAGE OR CHARGE ON THE ASSETS, PROPERTIES OR UNDERTAKING(S) OF THE COMPANY			
6.	TO APPROVE THE OVERALL BORROWING LIMITS			
7.	TO INCREASE IN THRESHOLD OF LOANS/ GUARANTEES, PROVIDING OF SECURITIES AND MAKING OF INVESTMENTS IN SECURITIES			
8.	TO APPROVAL TO ADVANCE ANY LOAN/GIVE GUARANTEE/PROVIDE SECURITY			
9.	TO APPROVE RELATED PARTY TRANSACTIONS			
10.	TO RE-APPOINT SECRETARIAL AUDITOR			

Signed this.....day of.....2025

Affix
Revenue
Stamp of
Rs. 1/-

Signature of
shareholder

Signature of Proxy
holder(s)

Note:

- This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the commencement of 33rd Annual General Meeting.
- It is optional to indicate your preference. If you leave the 'for', 'against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

FormNo.MGT-12**Polling Paper**

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company: KANEL INDUSTRIES LIMITED**Registered Office: 1503, Westport, Sindhubhavan Road, Nr. S.P. Ring Road, Ahmedabad-380059****CIN: L15140GJ1992PLC017024**

SNo	Particulars	Details
1.	Name of the first named Shareholder (In Block Letters)	
2.	Postal address	
3.	Registered Folio No/ *ClientID (*applicable to investors holding shares in dematerialized form)	
4.	Class of Share	Equity Shares
5.	Number of Shares	

I hereby exercise my vote in respect of Ordinary/Special Resolutions enumerated below by recording my assent or dissent to the said resolutions in the following manner:

		No. of Shares held by me	I assent to the resolution	I dissent from the resolution
01	To Receive, Consider, Approve and Adopt the Audited Statement of Accounts i.e. The Audited Balance Sheet as at 31 st March, 2025, the Profit & Loss Account for the year ended on that date, the report of the Auditors and Directors thereon			
02	To regularize appointment Mr. Bhavin Arvindbhai Mehta (DIN: 00023850) as Independent Non Executive Director of the Company, to consider and if thought fit, to pass the following special business as an <u>ordinary resolution</u>			
03	To regularize appointment Ms. Jasmin Jaykumar Doshi (DIN: 08686876) as Independent Non Executive Director of the Company, to consider and if thought fit, to pass the following special business as an <u>ordinary resolution</u>			
04	Alteration of Main Object Clause of the Memorandum of Association of the Company			
05	TO SEEK APPROVAL UNDER SECTION 180(1)(a) OF THE COMPANIES ACT, 2013 INTER ALIA FOR CREATION OF MORTGAGE OR CHARGE ON THE ASSETS, PROPERTIES OR UNDERTAKING(S) OF THE COMPANY			
06	TO APPROVE THE OVERALL BORROWING LIMITS			
07	TO INCREASE IN THRESHOLD OF LOANS/ GUARANTEES, PROVIDING OF SECURITIES AND MAKING OF INVESTMENTS IN SECURITIES			
08	TO APPROVAL TO ADVANCE ANY LOAN/GIVE GUARANTEE/PROVIDE SECURITY			
09	TO APPROVE RELATED PARTY TRANSACTIONS			
10	TO RE-APPOINT SECRETARIAL AUDITOR			

Place: Ahmedabad**Date:** 30th September, 2025**(Signature of the shareholder*)**

(*as per Company records)

ROUTE MAP TO THE VENUE OF 33rd ANNUAL GENERAL MEETING

