KANANI INDUSTRIES LIMITED

2025 - 2026

43rd Annual Report

www.kananiindustries.com

Content

❍ Comparative Analysis of last 3 years Results

(₹ in Lakhs)

Particular	For the year ended on 31.03.2026	For the year ended on 31.03.2025	For the year ended on 31.03.2024
Net Sales	1020.46	–	4682.29
Other Income	128.91	51.66	93.25
Total Income	1149.37	51.66	4775.54
Expenditure	1113.02	42.53	4683.86
PBIT	36.35	9.13	91.68
Interest	0.11	0.13	68.01
Depreciation	1.50	2.06	2.41
PBT	34.74	6.94	21.26
Tax	5.42	1.08	4.12
PAT	29.32	5.86	17.15
Net Profit	29.32	5.86	17.15
Basic & Diluted EPS (Rs)	0.01	0.003	0.01
Dividend Paid / Proposed (In %)	–	–	–
Equity Capital	1978.68	1978.68	1978.68
Reserves & Surplus	2530.79	2501.48	2495.62
Net worth	4509.47	4480.16	4474.30
Book Value per share (Rs)	2.28	2.26	2.26
Operating Profit Margin (%)	3.41%	–	1.91%
Net Profit Margin (%)	2.87%	–	0.37%
Basic & Diluted Cash EPS (Rs)	0.01	0.003	0.01

❍ General Information

BOARD OF DIRECTORS AND KMP:	PREMJIBHAI D. KANANI	CHAIRMAN, WHOLE-TIME DIRECTOR
	HARSHIL P. KANANI	MANAGING DIRECTOR
	DARSH LAVJIBHAI KANANI	NON-EXECUTIVE AND NON-INDEPENDENT DIRECTOR
	TEJAS CHOKSI	INDEPENDENT DIRECTOR
	MR. SATYAM JAISWAL	INDEPENDENT DIRECTOR
	MRS. SHIWAGINEE JAISWAL	INDEPENDENT DIRECTOR

EXECUTIVE MANAGEMENT:

COMPANY SECRETARY & COMPLIANCE OFFICER	MEHUL S. KUNDARIYA
CHIEF FINANCIAL OFFICER	DARSHAK A. PANDYA
STATUTORY AUDITORS	M/S. JMMK & CO. CHARTERED ACCOUNTANT B-10, WESTERN EDGE II, BEHIND METRO CASH & CARRY, MUMBAI 400066. E-MAIL: info@jmkco.in
INTERNAL AUDITOR	MEHTA KOTHARI & CO. 913, HUBTOWN SOLARIS, N. S. PHADKE MARG, OPP. TELLI GALLI, ANDHERI (EAST), MUMBAI 400069 E-MAIL: mehtakothari@gmail.com
SECRETARIAL AUDITOR	M/S. DEEP SHUKLA & ASSOCIATES, COMPANY SECRETARIES, MUMBAI
BANKERS	BANK OF BARODA
REGISTERED OFFICE	DC - 6112 - 6113, BHARAT DIAMOND BOURSE, G-BLOCK, BANDRA KURLA COMPLEX, BANDRA (EAST), MUMBAI: 400051, MAHARASHTRA, INDIA. TEL: -+91-22-40050222 FAX: - +91-22-30084000 E-MAIL: info@kananiindustries.com WEBSITE: www.kananiindustries.com
FACTORY	PLOT NO.42, SURAT SPECIAL ECONOMIC ZONE, NEAR SACHIN RLY. STN. SACHIN, DIST.: SURAT. GUJARAT, INDIA. TEL: -+91-261-321 5152 FAX: - +91-22-3008 4000 E-MAIL: info@kananiindustries.com
REGISTRAR AND SHARE TRANSFER AGENT:	The name of the RTA changed from “Link Intime India Private” to “MUFG Intime India Private Limited” (MUFG Intime / RTA) with effect from December 31, 2024 upon acquisition of Link group by Mitsubishi UFJ Trust & Banking Corporation. **MUFG Intime India Private Limited** C-101, 247 Park, L.B.S.Marg, Vikhroli West, Mumbai – 400083, Maharashtra, India. Tel No.: 022 - 4918 6000 E-mail: mumbai@in.mpms.mufg.com

❍ Notice

Notice is hereby given that the 43rd Annual General Meeting of the Members of Kanani Industries Limited will be held on Monday, September 28, 2026 at 11:00 A.M. (IST) through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business. The venue of the meeting shall be deemed to be the registered office of the company.

ORDINARY BUSINESS:

1. **Adoption of Financial Statements:**

   To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the year ended March 31, 2026 together with the Reports of the Board of Directors and Auditor's thereon.

2. **Appointment of Mr. Premjibhai Kanani (DIN: 01567443) as director liable to retire by rotation:**

   To appoint a Director in place of **Mr. Premjibhai Kanani (DIN: 01567443)**, who retires by rotation and being eligible, offers himself for re-appointment.

   "RESOLVED THAT pursuant to the provisions of Section 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, the approval of the members of the Company be, and is hereby accorded to the re appointment of Mr. Premjibhai Kanani (DIN: 01567443) as a Director, to the extent that he is required to retire by rotation."

SPECIAL BUSINESS:

3. **Re-appointment of Mr. Premjibhai Kanani (DIN: 01567443) as the Whole time Director:**

   To consider and, if thought fit, to pass the following resolution as a Ordinary Resolution:

   "RESOLVED THAT in accordance with the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), recommendation by Nomination and Remuneration Committee, approval of the Board be and is hereby accords its approval to the re-appointment of Mr. Premjibhai Kanani (DIN: 01567443) as a Whole-time Director for a further period of 5 years w.e.f. 1st August, 2027 (From 01.08.2027 to 31.07.2032) on the remuneration and on such terms and conditions as set out below with liberty and authority to the Board of Directors to alter and vary the terms and conditions of the said appointment from time to time within the scope of Schedule V of the Companies Act, 2013, or any amendments thereto or any re-enactment thereof as may be agreed to between the Board of Directors and Mr. Premjibhai Kanani.

   i. Remuneration: not exceeding INR 30,00,000/- per annum or such higher amount as may be decided by the Board of Directors of the Company from time to time.

   ii. Reimbursement of any other expenses properly incurred by him in accordance with rules of the Company.

   iii. Reimbursement of Medical Expenses & LTC as per the rules of the Company.

   iv. Other perquisites, allowances, benefits and amenities as per the service rules of the Company as applicable from time to time.

   "FURTHER RESOLVED THAT in the event of loss or inadequacy of profit in any financial year, the Company shall pay to Mr. Premjibhai Kanani [DIN: 01567443], in respect of such financial year, remuneration by way of salary, allowances, perquisites and other benefits as the Board of Directors may deem fit, subject to the limits prescribed herein and in Schedule V of the Companies Act, 2013.

   "RESOLVED FURTHER THAT any Directors or Key Managerial Personnel of the Company be and is hereby authorised to take necessary steps as may be required for re-appointment of Mr. Premjibhai Kanani [DIN: 01567443] as a Whole-time Director of the Company and file relevant e-Forms with the Ministry of Corporate Affairs [Registrar of Companies, Mumbai]."

4. **Re-appointment of Mr. Harshil Kanani [DIN: 01568262] as the Managing Director:**

   To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT in accordance with the provisions of Sections 196, 197, 203 and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof or the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association and further subject to approval of Members of the Company, the approval of the Board of Directors be and is hereby accorded to -appoint Mr. Harshil Kanani [DIN: 01568262] as a Managing Director of the Company, for a further period of 5 (Five) years with effect from 1st August, 2027 **(From 01.08.2027 to 31.07.2032)**, on the following terms and conditions, which are as follows:

CATEGORY	PARTICULARS
Basic Salary	Not exceeding INR 60,00,000/- per annum
Sitting Fees	The Managing Director shall not be entitled to sitting fees for attending meetings of the Board of Directors or Committees thereof.
General	a) Contribution to Provident Fund and Superannuation/Annuity Fund will be as per Scheme of the Company b) Gratuity payable shall be at a rate not exceeding 15 days salary for each completed year of service or part thereof in excess of six months as per Scheme of the Company. c) Encashment of unavailed leave at the end of the tenure or at specified intervals will be as per rules of the Company.

"RESOLVED FURTHER THAT during the tenure of Mr. Harshil Kanani [DIN: 01568262] as a Managing Director of the Company, the Company incurs a loss or its profits are inadequate, the Company shall pay to Mr. Harshil Kanani [DIN: 01568262] by way of salary, bonus and other allowances as a minimum remuneration but not exceeding the limits specified under section II of part 11 of Schedule V to the Companies Act, 2013, or such other limits as may be as may be agreed to by the Board of Directors of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter and vary the terms and conditions of appointment and/ or remuneration, subject to limits as specified under section 197, read with Schedule V of the Companies Act, 2013.

5. **To approve continuation of directorship of the existing director serving on the board of the company for five years or more under regulation 17(1D) of SEBI LODR Regulations:**

To consider and, if thought fit, pass the following resolutions as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Regulation 17(1D) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") (including any statutory modification(s) or re-enactment(s) thereof for time being in force), applicable provisions of the Articles of Association of the Company, and any other applicable provisions of the Companies Act, 2013 along with Rules framed thereunder, consent of the members be and is hereby accorded for continuation of Directorship of the following Directors serving on the Board of the Company for five years or more:

Sr. No.	Name of Director	Designation	Date of Appointment	Term of Re-appointment
1.	Mr. Darsh Lavjibhai Kanani (DIN: 07060543)	Non-Executive Director	February 02, 2021	28.09.2026 to 27.09.2031

RESOLVED FURTHER THAT all the above stated Director shall perform duties as prescribed under Companies Act, 2013 along with Rules framed thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any additional duties as may be prescribed by the Board of Directors of the Company.

RESOLVED FURTHER THAT for giving effect to this resolution, the Board be and hereby severally authorize any director of the Company to take all actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to effect to any as may be deemed appropriate, and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit or expedient.

RESOLVED FURTHER THAT any Director of the Company be and hereby are severally authorized to file all necessary forms including intimations/ reporting, if any, to the Registrar of Companies and other regulatory authorities and to do all acts, deeds and things as may be required for giving effect to the aforesaid resolution.

RESOLVED FURTHER THAT a certified copy of this Resolution may be provided to all concerns as and when required under the hand of any Director and/or Company Secretary of the Company."

For and On behalf of the Board of Directors
Kanani Industries Limited

PREMJIBHAI KANANI
CHAIRMAN, WHOLE-TIME DIRECTOR
(DIN : 01567443)

Place: Mumbai
Date: August 13, 2026

Registered Office:
DC - 6112 - 6113, Bharat Diamond Bourse,
G-Block, Bandra Kurla Complex, Bandra (East),
Mumbai: 400051, Maharashtra, India.

NOTES:

1. The Ministry of Corporate Affairs (hereinafter referred to as the said "MCA") permitted holding of the AGM through VC/OAVM, without physical presence of the Members at a common venue. Accordingly, in compliance with the MCA Circulars, AGM of the Company is being held through VC/OAVM. The Registered Office of the Company shall be deemed to be the venue for the AGM. [General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013", General Circular Nos. 20/2020 dated May 5, 2020 and subsequent circulars issued in this regard, the latest being 03/ 2025 dated September 22, 2025, collectively referred to as "MCA Circulars"].

2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Attendance Slip and Proxy Form are not annexed to this Notice.

3. The relative Explanatory Statement pursuant to Section 102 of the Act, setting out material facts concerning the business under Item No. 3 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this AGM are also annexed.

4. Book Closure:

   The Register of Members and Share Transfer Books of the Company will remain closed from Monday, September 21, 2026 to Monday, September 28, 2026 (both days inclusive).

5. E-Voting Period:

   The Remote E-voting facility will be available during the following period:

Commencement of E-Voting	From 09:00 A.M. (IST) on Friday, September 25, 2026
End of Remote	Upto 05:00 P.M. (IST) on Sunday, September 27, 2026

6. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agents - M/s. MUFG Intime India Private Limited for assistance in this regard.

7. To support the "Green Initiative", Members who have not registered their email addresses are requested to register the same with the Company's Registrar and Share Transfer Agent/their Depository Participants, in respect of shares held in physical/electronic mode, respectively.

8. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participant in case the shares are held in electronic form and to M/s. MUFG Intime India Private Limited, in case the shares are held in physical form.

9. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

10. Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):

    Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further, pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") as amended to date, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

    The Members/Claimants whose shares, unclaimed dividend, and debenture interest amount have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 (available on www.iepf.gov.in). The Member/Claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules. Members are requested to contact the Company's Registrar and Share Transfer Agent to claim the unclaimed/ unpaid dividends at the following address: M/s. MUFG Intime India Private Limited.

11. Members holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agent. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant only and not to the Company or the Company's Registrar and Share Transfer Agent.

12. Updation of Members' Details:

    The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Act requires the Company/ Registrar and Share Transfer Agent to record additional details of Members, including their PAN details, email address, bank details for payment of dividend, etc. A form for capturing these additional details is appended at the end of this Annual Report. Members holding shares in physical form are requested to submit the filled-in form to the Company or to its Registrar and Share Transfer Agent. Members holding shares in electronic form are requested to submit the details to their respective Depository Participant.

13. Nomination Facility: As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, as amended, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in dematerialized form, the nomination form may be filed with the respective Depository Participant.

14. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection by the Members by writing an e-mail to the Darshak Pandya (CFO) at darshak@kananiindustries.com.

15. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2025-26 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and the Annual Report 2025-26 will also be available on the Company's website at www.kananiindustries.com, on the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of Depository.

16. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

17. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

Instructions for Voting through electronics means:

REMOTE EVOTING INSTRUCTIONS:

In terms of SEBI circular no. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, 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 correctly in their demat accounts to access remote e-Voting facility.

Login method for Individual shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode with NSDL

METHOD 1 - NSDL OTP based login

a) Visit URL: https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp

b) Enter your 8 - character DP ID, 8 - digit Client Id, PAN, Verification code and generate OTP.

c) Enter the OTP received on your registered email ID/ mobile number and click on login.

d) Post successful authentication, you will be re-directed to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.

e) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

METHOD 2 - NSDL IDeAS facility

Shareholders registered for IDeAS facility:

a) Visit URL: https://eservices.nsdl.com and click on "Beneficial Owner" icon under "IDeAS Login Section".

b) Enter IDeAS User ID, Password, Verification code & click on "Log-in".

c) Post successful authentication, you will be able to see e-Voting services under Value added services section. Click on "Access to e-Voting" under e-Voting services.

d) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Shareholders not registered for IDeAS facility:

Shareholders/ Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.

Google Play | App Store

a) To register, visit URL: https://eservices.nsdl.com and select "Register Online for IDeAS Portal" or click on https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

b) Enter 8-character DP ID, 8-digit Client ID, Mobile no, Verification code & click on "Submit".

c) Enter the last 4 digits of your bank account / generate 'OTP'

d) Post successful registration, user will be provided with Login ID and password.

e) Follow steps given above in points (a-d).

METHOD 3 - NSDL e-voting website

a) Visit URL: https://www.evoting.nsdl.com

b) Click on the "Login" tab available under 'Shareholder/Member' section.

c) Enter User ID (i.e., your 16-digit demat account no. held with NSDL), Password/OTP and a Verification Code as shown on the screen & click on "Login".

d) Post successful authentication, you will be re-directed to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.

e) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Individual Shareholders holding securities in demat mode with CDSL

METHOD 1 - CDSL e-voting page

a) Visit URL: https://www.cdslindia.com.

b) Go to e-voting tab.

c) Enter 16-digit Demat Account Number (BO ID) and PAN No. and click on "Submit".

d) System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account

e) Post successful authentication, user will be able to see e-voting option. The evoting option will have links of e-voting service providers i.e., MUFG InTime. Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

METHOD 2 - CDSL Easi/ Easiest facility:

Shareholders registered for Easi/ Easiest facility:

a) Visit URL: https://web.cdslindia.com/myeasitoken/Home/Login or Visit URL: www.cdslindia.com, click on "Login" and select "My Easi New (Token)".

b) Enter existing username, Password & click on "Login".

c) Post successful authentication, user will be able to see e-voting option. The evoting option will have links of e-voting service providers i.e., MUFG InTime. Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Shareholders not registered for Easi/ Easiest facility:

a) To register, visit URL: https://web.cdslindia.com/myeasitoken/Home/EasiRegistration / https://web.cdslindia.com/myeasitoken/Home/EasiestRegistration.

b) Proceed with updating the required fields for registration.

c) Post successful registration, user will be provided username and password on the registered email id. Follow steps given above in points (a-c).

Individual Shareholders holding securities in demat mode with Depository Participant

Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL / CDSL for e-voting facility.

a) Login to DP website

b) After Successful login, user shall navigate through "e-voting" option.

c) Click on e-voting option, user will be redirected to NSDL / CDSL Depository website after successful authentication, wherein user can see e-voting feature.

d) Post successful authentication, click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Login method for shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode.

Shareholders holding shares in physical mode / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register and vote on InstaVote as under:

InstaVote USER ID	
NSDL	User ID is 8 Character DP ID followed by 8 Digit Client ID (e.g.IN123456) and 8 digit Client ID (eg.12345678).
CDSL	User ID is 16 Digit Beneficiary ID.
Shares held in physical form	User ID is Event No + Folio no. registered with the Company

STEP 1: LOGIN / SIGNUP on InstaVote

Shareholders registered for INSTAVOTE facility:

a) Visit URL: https://instavote.linktime.co.in & click on **"Login"** under 'SHARE HOLDER' tab.

b) Enter details as under:

1. User ID: Enter User ID
2. Password: Enter existing Password
3. Enter Image Verification (CAPTCHA) Code
4. Click "Submit".

(Home page of e-voting will open. Follow the process given under "Steps to cast vote for Resolutions")

InstaVote USER ID	
NSDL	User ID is 8 Character DP ID followed by 8 Digit Client ID (e.g.IN123456) and 8 digit Client ID (eg.12345678).
CDSL	User ID is 16 Digit Beneficiary ID.
Shares held in physical form	User ID is Event No + Folio no. registered with the Company

Shareholders not registered for INSTAVOTE facility:

a) Visit URL: https://instavote.linkintime.co.in & click on **"Sign Up"** under 'SHARE HOLDER' tab & register with details as under:

1. User ID: Enter User ID
2. PAN: Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
3. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP/Company - in DD/MM/YYYY format)
4. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.
   - o Shareholders, holding shares in **NSDL form**, shall provide 'point 4' above.
   - o Shareholders, holding shares in **CDSL form**, shall provide 'point 3' or 'point 4' above.
   - o Shareholders, holding shares in **physical form** but have not recorded 'point 3' and 'point 4', shall provide their Folio number in 'point 4' above
5. Set the password of your choice.

(The password should contain minimum 8 characters, at least one special Character (!#$&*), at least one numeral, at least one alphabet and at least one capital letter).

6. Enter Image Verification (CAPTCHA) Code.
7. Click "Submit" (You have now registered on InstaVote).

   Post successful registration, click on **"Login"** under 'SHARE HOLDER' tab & follow steps given above in points (a-b).

STEP 2: Steps to cast vote for Resolutions through InstaVote

A. Post successful authentication and redirection to InstaVote inbox page, you will be able to see the "Notification for e-voting".

B. Select 'View' icon. E-voting page will appear.

C. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).

D. After selecting the desired option i.e. Favour / Against, click on 'Submit'.

E. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

NOTE: Shareholders may click on "Vote as per Proxy Advisor's Recommendation" option and view proxy advisor recommendations for each resolution before casting vote. "Vote as per Proxy Advisor's Recommendation" option provides access to expert insights during the e-Voting process. Shareholders may modify their vote before final submission.

Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently.

Non-Individual Body corporate shareholders shall send a scanned copy of the board resolution authorising its representative to vote, to the scrutinizer at registered email address with a copy marked to RTA at enotices@in.mpms.mufg.com and the company at registered email address.

Guidelines for Institutional shareholders ("Custodian / Corporate Body/ Mutual Fund")

STEP 1 – Custodian / Corporate Body/ Mutual Fund Registration

A. Visit URL: https://instavote.linkintime.co.in

B. Click on "Sign Up" under "Custodian / Corporate Body/ Mutual Fund"

C. Fill up your entity details and submit the form.

D. A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to insta.vote@linkintime.co.in.

E. Thereafter, Login credentials (User ID; Organisation ID; Password) is sent to Primary contact person's email ID. (You have now registered on InstaVote)

STEP 2 – Investor Mapping

A. Visit URL: https://instavote.linkintime.co.in and login with InstaVote Login credentials.

B. Click on "Investor Mapping" tab under the Menu section

C. Map the Investor with the following details:

1) 'Investor ID' – Investor ID for NSDL demat account is 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678; Investor ID for CDSL demat account is 16 Digit Beneficiary ID.

2) 'Investor's Name - Enter Investor's Name as updated with DP.

3) 'Investor PAN' - Enter your 10-digit PAN.

4) 'Power of Attorney' - Attach Board resolution or Power of Attorney.

NOTE: File Name for the Board resolution/ Power of Attorney shall be – DP ID and Client ID or 16 Digit Beneficiary ID.

Further, Custodians and Mutual Funds shall also upload specimen signatures.

D. Click on Submit button. (The investor is now mapped with the Custodian / Corporate Body/ Mutual Fund Entity). The same can be viewed under the "Report section".

STEP 3 – Steps to cast vote for Resolutions through InstaVote

The corporate shareholder can vote by two methods, during the remote e-voting period.

METHOD 1 - VOTES ENTRY

a) Visit URL: https://instavote.linkintime.co.in and login with InstaVote Login credentials.

b) Click on "Votes Entry" tab under the Menu section.

c) Enter the "Event No." for which you want to cast vote.

   Event No. can be viewed on the home page of InstaVote under "On-going Events".

d) Enter "16-digit Demat Account No.".

e) Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link). After selecting the desired option i.e. Favour / Against, click on 'Submit'.

f) A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

(Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

METHOD 2 - VOTES UPLOAD

a) Visit URL: https://instavote.linkintime.co.in and login with InstaVote Login credentials.

b) After successful login, you will see "Notification for e-voting".

c) Select "View" icon for "Company's Name / Event number".

d) E-voting page will appear.

e) Download sample vote file from "Download Sample Vote File" tab.

f) Cast your vote by selecting your desired option 'Favour / Against' in the sample vote file and upload the same under "Upload Vote File" option.

g) Click on 'Submit'. 'Data uploaded successfully' message will be displayed.

(Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

NOTE: **Non-Individual Body corporate shareholders** shall send a scanned copy of the board resolution authorising its representative to vote, to the scrutinizer at registered email address with a copy marked to RTA at enotices@in.mpms.mufg.com and the company at registered email address.

HELPDESK:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode facing any technical issue in login may contact INSTAVOTE helpdesk by sending a request at enotices@in.mpms.mufg.com or contact on: - Tel: 022 – 4918 6000.

Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

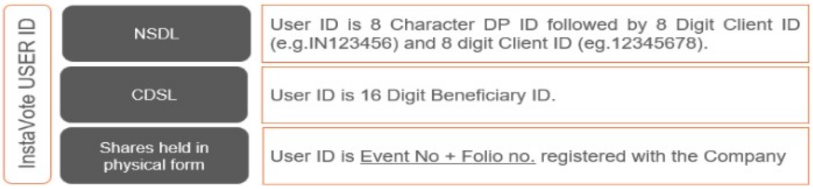
Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 48886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800 22 55 33

Forgot Password:

Individual Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on: https://instavote.linkintime.co.in

- Click on **"Login"** under 'SHARE HOLDER' tab.
- Further Click on **"forgot password?"**
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA).
- Click on "SUBMIT".



In case Custodian / Corporate Body/ Mutual Fund has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on: https://instavote.linkintime.co.in

- Click on 'Login' under "Custodian / Corporate Body/ Mutual Fund" tab
- Further Click on **"forgot password?"**
- Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA).
- Click on "SUBMIT".

In case shareholders have a valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing information about the particulars of the Security Question and Answer, PAN, DOB/DOI etc. The password should contain a minimum of 8 characters, at least one special character (!#$&*), at least one numeral, at least one alphabet and at least one capital letter.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both, then the Shareholders are advised to use Forget User ID and Forget Password option available at above mentioned depository/ depository participants website.

General Instructions - Shareholders

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

GENERAL INSTRUCTIONS:

1. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member / beneficial owner as on the cut off date i.e. Monday, September 21, 2026.
2. The facility for e-voting shall also be available during the AGM. Members who have already cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote at the AGM. Only those Members who attend the AGM and have not cast their votes through remote e-voting and are otherwise not barred from doing so will be allowed to vote through the e-voting facility available at the AGM.
3. Any person, who acquires shares of the Company and becomes its Member after the sending of Notice of the AGM and holds shares as on the cut Notice of the AGM and holds shares as on the cutoff date for voting i.e. Monday, September 21, 2026, may obtain the login ID and password by sending a request to enotices@in.mpms.mufg.com However, if he/she is already registered with LIIPL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
4. Mr. Deep Shukla, Practising Company Secretary (FCS No. 5652 CP. No. 5364) has been appointed as the Scrutinizer to scrutinize the remote e-voting and ensure that the voting process at the AGM is conducted in a fair and transparent manner.

5. The Scrutinizer shall after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty eight hours of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour/against if any, to the Chairperson or a person authorized in writing, who shall countersign the same and declare the result of the voting forthwith.

The results declared along with the Scrutinizer's Report shall be placed on the website of the Company www.kananiindustries.com and on the website of MUFG Intime at www. nstavote.linkintime.co.in and shall also be communicated to BSE Limited and NSE Limited.

INSTAMEET VC INSTRUCTIONS:

In terms of Ministry of Corporate Affairs (MCA) General Circular No. 03/2025 dated 22.09.2025, the companies can continue to conduct AGMs by VC or OAVM, as per the existing procedural requirements. Till further orders, the relaxations will remain in force.

Shareholders are advised to update their mobile number and email Id correctly in their demat accounts to access InstaMeet facility.

Login method for shareholders to attend the General Meeting through InstaMeet:

a) Visit URL: https://instameet.in.mpms.mufg.com & click on **"Login"**.

b) Select the "Company Name" and register with your following details:

c) Select Check Box - **Demat Account No**. / **Folio No.** / **PAN**

- Shareholders holding shares in NSDL/ CDSL demat account shall select check box - Demat Account No. and enter the 16-digit demat account number.
- Shareholders holding shares in physical form shall select check box – Folio No. and enter the Folio Number registered with the company.
- Shareholders shall select check box – PAN and enter 10-digit Permanent Account Number (PAN). Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided by MUFG Intime, if applicable.
- Mobile No: Mobile No. as updated with DP is displayed automatically. Shareholders who have not updated their Mobile No with the DP shall enter the mobile no.0
- Email ID: Email Id as updated with DP is displayed automatically. Shareholders who have not updated their Email Id with the DP shall enter the Email Id.

d) Click "Go to Meeting"

You are now registered for InstaMeet, and your attendance is marked for the meeting.

Instructions for shareholders to Speak during the General Meeting through InstaMeet:

a) Shareholders who would like to speak during the meeting must register their request with the company at company's registered email address.

b) Shareholders will get confirmation on first cum first basis depending upon the provision made by the company.

c) Shareholders will receive "speaking serial number" once they mark attendance for the meeting. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

d) Other shareholder who has not registered as "Speaker Shareholder" may still ask questions to the panellist via active chat-board during the meeting.

*Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders to Vote during the General Meeting through InstaMeet:

Once the electronic voting is activated during the meeting, shareholders who have not exercised their vote through the remote e-voting can cast the vote as under:

a) On the Shareholders VC page, click on link "Cast your vote".

b) Enter your 16-digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet.

c) Click on 'Submit'.

d) After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

e) Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.

f) After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note:

Shareholders/ Members, who will be present in the General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

Shareholders/ Members who have voted through Remote e-Voting prior to the General Meeting will be eligible to attend/ participate in the General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-FI or LAN connection to mitigate any kind of aforesaid glitches.

Helpdesk:

Shareholders facing any technical issue in login may contact INSTAMEET helpdesk by sending a request at instameet@in.mpms.mufg.com or contact on: - Tel: 022 – 4918 6000 / 4918 6175.

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

Notes 3:-

Re-appointment of Mr. Premjibhai Kanani (DIN: 01567443) as the Whole time Director

At the meeting of the Board of Directors of the Company held on August 13, 2026 on the recommendation of the Nomination and Remuneration Committee, Mr. **Premjibhai Kanani (DIN: 01567443**], was re-appointed as the Whole Time Director designated as an Executive Director of the Company for another period of five years, ***w.e.f*** 1st August, 2027 (From 01.08.2027 to 31.07.2032) on the terms of remuneration mentioned herein below, with powers to the Board to make such variation or increase therein as may be thought fit from time to time, but within the ceiling/s laid down in the Act or any statutory amendment or relaxation thereof:

i. Remuneration: not exceeding INR 30,00,000 per annum or such higher amount as may be decided by the Board of Directors of the Company from time to time.

ii. Reimbursement of any other expenses properly incurred by him in accordance with rules of the Company.

iii. Reimbursement of Medical Expenses & LTC as per the rules of the Company.

iv. Other perquisites, allowances, benefits and amenities as per the service rules of the Company as applicable from time to time.

A brief resume of Mr. Premjibhai Kanani is provided in the annexure to the Notice. This resolution is being proposed as a special resolution in view of the relevant provisions of Schedule V to the Act requiring a special resolution for payment of minimum remuneration in the event of loss or inadequacy of profits.

Mr. Premjibhai Kanani and Harshil Kanani are interested in the resolution set out at Item No. 3 of the Notice with regard to his re-appointment. Relatives of Mr. Premjibhai Kanani may be deemed to be interested in the resolution to the extent of their shareholding, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution

The Board commends the resolution set out in Item No. 3 for approval by shareholders.

Item No.4

Re-appointment of Mr. Harshil Kanani [DIN: 01568262] as the Managing Director:

At the meeting of the Board of Directors of the Company held on August 13, 2026 on the recommendation of the Nomination and Remuneration Committee, Mr. Harshil Kanani **(DIN: 01568262**], was re-appointed as the Managing Director designated as an Executive Director of the Company for the further period of five years, ***w.e.f*** 1st August, 2027 (From 01.08.2027 to 31.07.2032) on the terms of remuneration mentioned herein below, with powers to the Board to make such variation or increase therein as may be thought fit from time to time, but within the ceiling/s laid down in the Act or any statutory amendment or relaxation thereof:

CATEGORY	PARTICULARS
Basic Salary	Not exceeding INR 60,00,000 per annum
Sitting Fees	The Managing Director shall not be entitled to sitting fees for attending meetings of the Board of Directors or Committees thereof.
General	a) Contribution to Provident Fund and Superannuation/Annuity Fund will be as per Scheme of the Company b) Gratuity payable shall be at a rate not exceeding 15 days salary for each completed year of service or part thereof in excess of six months as per Scheme of the Company. c) Encashment of unavailed leave at the end of the tenure or at specified intervals will be as per rules of the Company.

A brief resume of Mr. Harshil Kanani is provided in the annexure to the Notice. This resolution is being proposed as a special resolution in view of the relevant provisions of Schedule V to the Act requiring a special resolution for payment of minimum remuneration in the event of loss or inadequacy of profits.

Mr. Harshil Kanani and Mr. Premjibhai Kanani are interested in the resolution set out at Item No. 4 of the Notice with regard to his re-appointment. Relatives of Mr. Harshil Kanani may be deemed to be interested in the resolution to the extent of their shareholding, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution

The Board commends the resolution set out in Item No. 4 for approval by shareholders.

ITEM NO. 4: TO APPROVE CONTINUATION OF DIRECTORSHIP OF THE EXISTING DIRECTORS SERVING ON THE BOARD OF THE COMPANY FOR FIVE YEARS OR MORE UNDER REGULATION 17(1D) OF SEBI LODR REGULATIONS:

The Members are apprised that in accordance with the provisions of Regulation 17(1D) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”) (as amended from time to time), every listed entity has to secure approval of the Company in a General Meeting, for the continuation of a Director of the listed entity at least once in every five years from the date of the appointment or reappointment of the Director. In view of above, the continuation of the following Directors requires approval of the shareholders under Regulation 17(1D) of LODR in the ensuing General Meeting:

Sr. No.	Name of Director	Designation	Date of Appointment	Term of Re-appointment
1.	Mr. Darsh Lavjibhai Kanani (DIN: 07060543)	Non-Executive Director	February 02, 2021	28.09.2026 to 27.09.2031

Therefore, the Board of Directors recommends the proposed resolution set out in Item No. 5 for the approval of Members by way of an Ordinary Resolution. None of the Directors or Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested, financially or otherwise, in the said resolution.

ANNEXURE TO NOTICE

Details of Directors seeking appointment / re-appointment at the Annual General Meeting

[In pursuance of Clause 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015]

Name of Director	Mr. Premjibhai Kanani	Mr. Harshil Kanani	Mr. Darsh Lavjibhai Kanani
Date of Birth	12/10/1958	22/12/1983	27/04/1995
Actual date of Appointment	17/05/2007	28/07/2007	24/02/2021
Qualifications	Under Graduate	Under Graduate	M.B.A (Finance and Marketing)
Expertise in Specific Functional Area	Expertise in Diamond industry with wide knowledge & experience in the diamond industry and has been associated with the Company for more than One decade	Having a 20 years' experience in gems and Jewellery business. It will be advantageous for the Company to continue to avail his services and take the benefit of his vast experience and expert knowledge.	Mr. Darsh Kanani is a Non-Executive, Non-Independent Director of our Company. Mr. Darsh Kanani has more than 8 years of experience in the jewellery export, retail and designing business. He had joined Diamond Buyer & Jewellery Designing at a very young age.
Directorships held in other listed companies (As on March 31, 2026)	Nil	Nil	Nil
Chairmanships/ Memberships of the Committees of the Board of Directors of other listed companies (As on March 31, 2026)	Nil	Nil	Nil
Shareholding of Directors (As on March 31, 2026)	1,60,12,260	5,08,42,694	Nil
Relationship between Directors inter-se	Father of Managing Director	Son of Chairman	Cousin brother of Managing Director

❍ Directors' Report

To
Dear Members,
KANANI INDUSTRIES LIMITED

Your Directors have pleasure in presenting their 43rd Annual Report on the Standalone and Consolidated Audited Statement of Accounts of Kanani Industries Limited *["the Company"]* for the Financial Year ended March 31, 2026.

FINANCIAL RESULTS

The summarized financial performance of the Company for the FY 2025-26 and FY 2024-25 is given below:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2025-2026	**2024-2025**	**2025-2026**	**2024-2025**
Revenue from operations	1020.46	–	17319.35	16847.13
Other Income	128.91	51.66	128.91	51.66
Total Revenue	**1149.37**	**51.66**	**17508.26**	**16898.79**
Total Expenses	1114.63	44.72	17243.70	16817.85
Profit/(Loss) before exceptional and extraordinary items and tax	**34.74**	**6.94**	**264.56**	**80.95**
Exceptional Items	–	–	–	–
Extraordinary Items	–	–	–	–
Net Profit Before Tax	**34.74**	**6.94**	**264.56**	**80.95**
Provision for Tax				
– Current Tax	5.42	1.08	6.97	3.08
– Deferred Tax (Liability)/Assets	–	–	–	–
– Excess/(short) provision for earlier years	–	–	–	–
Net Profit After Tax	**29.32**	**5.86**	**257.59**	**77.87**
Profit/(Loss) from Discontinued operations	–	–	–	–
Tax Expense of Discontinued operations	–	–		–
Profit/(Loss) from Discontinued operations (after tax)	–	–	–	–
Profit/(Loss) for the period	**29.32**	**5.86**	**257.59**	**77.87**
Other Comprehensive Income				
– Items that will not be reclassified to profit or loss	**–**	**–**	**–**	**–**
– Income tax relating to items that will not be reclassified to profit or loss	**–**	**–**	**–**	**–**
– Items that will be reclassified to profit or loss	**–**	**–**	**–**	**–**
– Income tax relating to items that will be reclassified to profit or loss	**–**	**–**	**–**	**–**
Total Comprehensive income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)	**29.32**	**5.86**	**257.59**	**77.87**
Earnings per equity share *(for continuing operation)*:				
– Basic (In Rs)	0.01	0.003	0.13	0.04
– Diluted (In Rs)	0.01	0.003	0.13	0.04

Review of Operations.

<u>Standalone:</u>

During the year under review, the Standalone total Income was **Rs. 1149.37 lacs** as against **Rs. 51.66 lacs** for the corresponding previous year.

Total Comprehensive income for the period was **Rs. 29.32** lacs as against **Rs. 5.86 lacs** in the corresponding previous year

<u>Consolidated:</u>

During the year under review, the consolidated total Income was **Rs. 17508.26 lacs** as against **Rs. 16898.79 lacs** for the corresponding previous year.

Total Comprehensive consolidated income for the period was **Rs. 257.59 lacs** as against **Rs. 77.87 lacs** in the corresponding previous year

State of Affairs and Future Outlook

The Jewelry business will continue its growth path through various initiatives, including launching of new collections & Designs, increasing share of studded jewelry and achieving design leadership. In coming year the Company would drive for strong and profitable growth in all its consumer businesses.

Dividend

In order to conserve the resources for the further growth of the Company, your Directors think fit not to recommend any dividend for the year under review.

Transfer to Reserves

The Board of Directors has decided to retain the entire amount of profits in the profit and loss account.

Management Discussion and Analysis

The Management Discussion and Analysis as required in terms of the Listing Regulations is annexed to the report as **Annexure I** and is incorporated herein by reference and forms an integral part of this report.

Share Capital

The Paid-up Equity Share Capital of the Company as on 31st March, 2026 is Rs. 19,78,68000/-, comprising of 19,78,68000 shares of Re. 1/- each. During the year under review, the Company has not issued any securities.

Directors and Key Managerial Personnel

- ***Inductions / Appointment or Re-appointment of Director:***

The NRC is entrusted with the responsibility for developing competency requirements for the Board, based on the Industry, Strategy and Vision of the Company. The Board composition analysis reflects an in-depth understanding of the Company, including its strategies, environment, operations, financial condition and compliance requirements.

The NRC advises the Board on the appointment and re-appointment of Directors and also conducts periodic gap analyses to refresh the Board and reviewing potential candidates' profiles to ensure they have the required competencies. The NRC also undertakes reference and due diligence checks and meets potential candidates before making recommendations to the Board. The appointee is briefed on the specific requirements for the position, including expected expert knowledge. Once a suitable candidate is identified, the NRC recommends their appointment to the Board for its approval. Upon receiving the NRC's recommendation, the Board considers the appointment and if approved, recommends the same to the Shareholders for their approval.

1. Pursuant to the provisions of Section 152 of the Act, Mr. Premjibhai Kanani (DIN: 01567443) retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment.

2. Based on the recommendation of the Nomination and Remuneration Committee and approval of the same by the Board at its meeting held on August 13, 2026, Mr. Harshil Kanani [DIN: 01568262], Managing Director was re-appointed as a Managing Director and Mr. Premjibhai Kanani [DIN: 01567443], was re-appointed as a Whole-time director for a further period of ***5 years w.e.f. August 01, 2027,*** Resolution(s) in this behalf is set out at Item No 3 & Item No.4 of the Notice of Annual General Meeting, for Members' approval.

3. In accordance with the recommendation of the Nomination and Remuneration Committee and the subsequent approval of the Board at its meeting held on August 13, 2026, Mr. Darsh Lavjibhai Kanani shall continue to act as a Non-executive Director, subject to the provisions of Regulation 17(1D) of the SEBI LODR Regulations. The resolution seeking your approval in this regard is set out at Item No. 5 of the accompanying Notice of the Annual General Meeting

4. All the directors of the Company have confirmed that they satisfy the fit and proper criteria as prescribed under the applicable regulations and that they are not disqualified from being appointed as directors in terms of Section 164(2) of the Companies Act, 2013.

Further, Pursuant to Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are:

Sr. No	Name of KMP	Designation
1.	Mr. Premjibhai Kanani	Whole-time Director & Chairman
2.	Mr. Harshil Kanani	Managing Director
3.	Mr. Darshak Pandya	Chief Financial Officer
4.	Mr. Mehul Kundariya	Company Secretary and Compliance Officer

During the year, there has been no change in the Key Managerial Personnel.

Declaration by Independent Directors

Your Company had received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as independent directors of the Company.

Independent Directors are familiarized with their roles, rights and responsibilities as well as with the nature of industry and business model through induction program at the time of their appointment as Directors and through presentations on economy & industry overview, key regulatory developments, strategy and performance which are made to the Directors from time to time.

Board Meetings

Dates for Board Meetings are well decided in advance and communicated to the Board and the intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the Listing Agreement. The information as required under Regulation 17(7) read with Schedule II Part A of the LODR is made available to the Board. The agenda and explanatory notes are sent to the Board in advance. The Board periodically reviews compliance reports of all laws applicable to the Company. The Board meets at least once a quarter to review the quarterly financial results and other items on the agenda and also on the occasion of the Annual General Meeting ('AGM') of the Shareholders. Additional meetings are held, when necessary.

Further, Committees of the Board usually meet on the same day of formal Board Meeting, or whenever the need arises for transacting business. The recommendations of the Committees are placed before the Board for necessary approval and noting.

During the year **04 (Four) Board Meetings** were held during the year ended 31st March, 2026, the dates which are 30th May 2025, 5th August 2025, 12th November 2025 and 12th February 2026.

Attendance details of Directors for the year ended March 31, 2026 are given below:

Name of the Directors	Category	No. of Board Meetings attend
Mr. Premjibhai Kanani	Chairman, Whole-time Director	03
Mr. Harshil Kanani	Managing Director	04
Mr. Tejas Morlidhar Choksi	Independent Director	04
Mr. Darsh Kanani	Non-Executive, Non-Independent Director	02
Mr. Satyam Jaiswal	Independent Director	04
Mrs. Shiwaginee Jaiswal	Independent Director	04

Discussions with Independent Directors

The Board's policy is to regularly have separate meetings with Independent Directors, to update them on all business related issues, new initiatives and changes in the industry specific market scenario. At such meetings, the Executive Directors and other Members of the Management make presentations on relevant issues.

The policy for Familiarisation Programme for Independent Directors is available on our website www.kananiindustries.com.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the Listing Agreement/ SEBI (LODR) 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 Committees. The Directors expressed satisfaction with the evaluation process.

Composition of Audit Committee

Your Company has formed an Audit Committee as per the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. All members of the Audit Committee possess strong knowledge of accounting and financial management.

The primary objective of the Audit Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the Management, the statutory auditor and notes the processes and safeguards employed by each of them.

The Committee met 4 (Four) times during the year, the details of which are given in the Corporate Governance Report along with composition of the Committee and their attendance.

Composition of Nomination & Remuneration Committee

Your Company has formed a Nomination & Remuneration Committee to lay down norms for determination of remuneration of the executive as well as non-executive directors and executives at all levels of the Company. The Nomination & Remuneration committee has been assigned to approve and settle the remuneration package with optimum blending of monetary and non-monetary outlay.

The Committee met 3 (Three) times during the year, the details of which are given in the Corporate Governance Report along with composition of the Committee and their attendance.

Nomination and Remuneration Policy

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors. This policy also lays down criteria for selection and appointment of Board Members. The Board of Directors is authorized to decide Remuneration to Executive Directors. The Remuneration structure comprises of Salary and Perquisites. Salary is paid to Executive Directors within the Salary grade approved by the Members. The Nomination & Remuneration committee has been assigned to approve and settle the remuneration package with optimum blending of monetary and non-monetary outlay.

In terms of requirements prescribed under Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Policy *inter-alia* providing the terms for appointment and payment of remuneration to Directors and Key Managerial Personnel.

During the year, there have been no changes to the Policy. The same is annexed to this report as **Annexure II** and is available on our website www.kananiindustries.com.

Details of remuneration paid to Directors and Key Managerial Personnel are given in the Corporate Governance Report along with shareholding in a Company.

Composition of Stakeholders Relationship Committee

Your Board has constituted a Stakeholders Relationship Committee to specifically look into the mechanism of redressal of grievances of shareholders etc. The Committee reviews Shareholder's / Investor's complaints like non-receipt of Annual Report, physical transfer/ transmission/transposition, split/ consolidation of share certificates, issue of duplicate share certificates, etc. This Committee is also empowered to consider and resolve the grievance of other stakeholders of the Company including security holders.

The Committee met 02 (Two) times during the year, the details of which are given in the Corporate Governance Report along with composition of the Committee and their attendance.

Directors' Responsibility Statement

Pursuant to Section 134(3)(c) & 134(5) of the Companies Act, 2013, the Board of Directors of the Company hereby confirm that:

(a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) the directors have 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 have 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 have prepared the annual accounts on a going concern basis; and

(e) the directors have 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 have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Particulars of Employees and Related Disclosures

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 in respect of employees of the Company, is enclosed as **Annexure III** and forms part of this Report.

Further, as per the provisions specified in Chapter XIII of Companies (Appointment & Remuneration of Managerial Personnel) Amendment Rules, 2016 none of the employees of the Company are in receipt of remuneration exceeding Rs. 1,02,00,000/- per annum, if employed for whole of the year or Rs. 8,50,000/- per month if employed for part of the year.

Further, the names of top ten employees in terms of remuneration drawn are disclosed in **Annexure IV** and forms part of this Report.

Extract of Annual Return:

Pursuant to Notification dated 28th August, 2020 issued by the Ministry of Corporate Affairs as published in the Gazette of India on 28th August, 2020, the details forming part of the extract of Annual Return in Form MGT-9 is not required to be annexed herewith to this report. However, the Annual Return will be made available at the website of the Company at: www.kananiindustries.com.

Details of Subsidiary/Joint Ventures/Associate Companies

The Statement AOC-1 pursuant to the provisions of Section 129 (3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014 regarding Subsidiary Company is enclosed as **Annexure V** and forms part of this Report.

Auditors' appointment

- The Members of the Company at the Annual General Meeting ('AGM') held on 27th September, 2024 approved the appointment JMMK & Co., Chartered Accountants (Firm Registration No. 120459W**)**, were appointed as Statutory Auditors of the Company to hold office till the conclusion of the 46th Annual General Meeting.

Auditors Report as issued by M/s. JMMK & Co., Chartered Accountants, Auditors of the Company is self-explanatory and need not call for any explanation by your Board.

Secretarial Audit

In terms of Section 204 of the Act and Rules made there under, M/s. Deep Shukla & Associates, Practicing Company Secretaries, have been appointed Secretarial Auditors of the Company. The Secretarial Audit Report is enclosed as **Annexure VI** to this report.

Annual Secretarial Compliance Report

M/s. Deep Shukla & Associates, Practicing Company Secretaries, have been appointed to give Annual Secretarial Compliance Certificate. The Annual Compliance Certificate is enclosed as **Annexure VII** to this report.

Internal Audit & Controls

The Company has in place adequate internal financial controls with reference to the financial statement. The Audit Committee of the Board periodically reviews the internal control systems with the management, Internal Auditors and Statutory Auditors. Significant internal audit findings are discussed and follow-ups are taken thereon.

Further, M/s. Mehta Kothari & Co, Chartered Accountants, M.No.0120266 was appointed as Internal Auditors of the Company pursuant to section 138 of the Companies Act, 2013.

Employees' Stock Option Plan

The Company has not provided stock options to any employee.

Vigil Mechanism

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.kananiindustries.com. The employees of the Company are made aware of the said policy at the time of joining the Company.

Risk Management Policy

The Company has laid down the procedure to inform the Board about the risk assessment and minimization procedures. These procedures are reviewed by the Board annually to ensure that there is timely identification and assessment of risks, measures to mitigate them, and mechanisms for their proper and timely monitoring and reporting.

The Company does not fall under the ambit of top 1000 listed entities, determined on the basis of market capitalisation as at the end of the immediately preceding financial year. Hence, compliance under Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable.

Corporate Governance Report

We ensure that, we evolve and follow the corporate governance guidelines and best practices sincerely, not only to boost long-term shareholder value, but also to respect minority rights. We consider it as our inherent responsibility to disclose timely and accurate information regarding our operations and performance, as well as the leadership and governance of the Company.

Pursuant to the Listing Regulations, the Corporate Governance Report along with the Certificate from a Practicing Chartered Accountants, regarding compliance of conditions of Corporate Governance, is annexed as **Annexure VIII** and forms part of this Report.

Deposits

The Company has neither accepted nor renewed any fixed deposits during the year under review under Section 76 of the Companies Act, 2013. There are no unclaimed deposits, unclaimed / unpaid interest, refunds due to the deposit holders or to be deposited to the Investor Education and Protection Fund as on March 31, 2026.

However, during the financial year the Company has borrowed money(ies) from Directors of the Company in pursuant to Rule 2(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014, amended from time to time, and said amount is not being given out of funds acquired by him/them by borrowing or accepting loans or deposits from others.

Loans & Guarantees

During the year under review, the Company has not provided any loan, guarantee, security or made any investment covered under the provisions of Section 186 of the Companies Act, 2013 to any person or other body corporate.

Insurance

The properties/assets of the Company are adequately insured.

Related Party Transactions

Related party transactions, if any, that were entered into during the period ended March 31, 2026, were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

The details of the related party transactions as per Accounting Standard 18 are set out in Note No. 20(9) to the Significant Accounting policies part of this report.

Conservation of Energy, Research and Development, Technology Absorption and Foreign Exchange

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

(a) Conservation of Energy:

Even though its operations are not energy-intensive, significant measures are taken to reduce energy consumption by using energy-efficient equipment. The Company regularly reviews power consumption patterns across all locations and implement requisite improvements/changes in the process in order to optimize energy/ power consumption and thereby achieve cost savings. Energy costs comprise a very small part of the Company's total cost of operations. However, as a part of the Company's conservation of energy programme, the management has appealed to all the employees / workers to conserve energy.

(b) Absorption of Technology:

I. The efforts made towards technology absorption:

The Company values innovation and applies it to every facet of its business. This drives development of distinctive new products, ever improving quality standards and more efficient processes.

The Company has augmented its revenues and per unit price realization by deploying innovative marketing strategies and offering exciting new products. The depth of designing capabilities was the core to our success over the years.

The Company uses the service of in-house designers as well as those of free-lancers in developing product designs as per the emerging market trends. The Company uses innovation in design as well as in technology to develop new products.

II. Benefits derived as a result of the above efforts:

As a result of the above, the following benefits have been achieved:

a) Better efficiency in operations,

b) Reduced dependence on external sources for technology for developing new products and upgrading existing products,

c) Expansion of product range and cost reduction,

d) Greater precision,

e) Retention of existing customers and expansion of customer base,

f) Lower inventory stocks resulting in low carrying costs.

III. The Company has not imported any technology during the year under review;

IV. The Company has not expended any expenditure towards Research and Development during the year under review.

(c) Foreign Exchange Earnings and Outgo:

(Amount in ₹)

Particulars	FY 2025 - 26	FY 2024 - 25
C.I.F. Value of Imports	–	–
F.O.B. Value of Exports	–	–

Transfer of Amounts to Investor Education and Protection Fund

Pursuant to the provisions of the Companies Act, 2013 read with The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, ('Rules'), the dividends, unclaimed for a consecutive period of seven years from the date of transfer to the Unpaid Dividend Account of the Company are liable to be transferred to IEPF. Further, the shares (excluding the disputed cases having specific orders of the Court, Tribunal or any Statutory Authority restraining such transfer) pertaining to which dividend remains unclaimed for a period of continuous seven years from the date of transfer of the dividend to the unpaid dividend account are also mandatorily required to be transferred to the IEPF established by the Central Government. Accordingly, the Company has transferred unclaimed dividend eligible to IEPF authority within statutory timelines.

Any person whose unclaimed dividend and shares pertaining thereto, matured deposits, matured debentures, application money due for refund, or interest thereon, sale proceeds of fractional shares, redemption proceeds of preference shares, amongst others has been transferred to the IEPF Fund can claim their due amount from the IEPF Authority by making an electronic application in e-form IEPF-5. Upon submitting a duly completed form, Shareholders are required to take a print of the same and send physical copy duly signed along with requisite documents as specified in the form to the attention of the Nodal Officer, at the Registered Office of the Company. The e-form can be downloaded from the website of Ministry of Corporate Affairs www.iepf.gov.in.

Shareholders are requested to get in touch with the RTA for encashing the unclaimed dividend/interest/principal amount, if any, standing to the credit of their account.

Corporate Social Responsibility

The Company is committed to discharging its social responsibility as a good corporate citizen.

During the year under review, the Company has not expended any amount towards CSR activities as the same is not applicable to the Company pursuant to section 135 of the Companies Act, 2013.

Cost Audit

As per the Cost Audit Orders and in terms of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, Cost Audit is not applicable to our Company.

Obligation of Company Under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment at workplace (Prevention, prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year ended 31st March 2026. The details of the cases reported and resolved during the financial year are as follows:

a)	number of complaints of sexual harassment received in the year	0
b)	number of complaints disposed off during the year; and	0
c)	number of cases pending for more than ninety days	0

Disclosure on compliance with the maternity benefit act, 1961:

The Company hereby confirms that the provisions of the Maternity Benefit Act, 1961 are not applicable to it, as the total number of persons employed by the Company on any day during the preceding 12 months has not exceeded ten (10).

Secretarial Standards

The Company has in place proper systems to ensure compliance with the provisions of the applicable secretarial standards issued by The Institute of Company Secretaries of India and such systems are adequate and operating effectively.

Significant and Material Orders passed by the Regulators or Courts or Tribunals

There are no significant and material orders passed by the Regulators / Courts / Tribunals which would impact the going concern status of the Company and its future operations.

Material Changes and Commitments Affecting the Financial Position of the Company:

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

Acknowledgement

The Directors would like to thank all shareholders, customers, bankers, suppliers and everybody else with whose help, cooperation and hard work the Company is able to achieve the results. The Directors would also like to place on record their appreciation of the dedicated efforts put in by the employees of the Company.

For and On behalf of the Board of Directors
Kanani Industries Limited

	PREMJIBHAI KANANI	**HARSHIL KANANI**
Place: Mumbai	**(CHAIRMAN, WHOLE-TIME DIRECTOR)**	**(MANAGING DIRECTOR)**
Date: 13/08/2026	**(DIN : 01567443)**	**(DIN : 01568262)**

ANNEXURE - I

❍ Management Discussion and Analysis

Economic Overview:

Indian Economy Overview:

The Indian economy in 2025-26 demonstrated steady strength against a global backdrop of trade uncertainty and market swings. The Second Advance Estimates finalised real GDP growth at 7.6% and Gross Value Added at 7.7%, highlighting the durability of a growth model led by domestic demand. Strong agricultural output supported rural incomes, while urban consumption improved due to steady employment and lower inflation

India continues to remain one of the world's fastest-growing major economies, supported by resilient domestic demand, strong investment activity, and ongoing structural reforms. The country is expected to maintain its strong growth momentum and may improve its global ranking over the medium term as economic expansion continues.

The outlook for the Indian economy remains positive and stable. For the upcoming FY 2026-27, real GDP is expected to grow between 6.8% and 7.2%. This is expected to be driven by continued government spending on infrastructure, a steady increase in private sector investment, and a strengthening manufacturing base. Additionally, the services sector is expected to maintain its consistent expansion.

At Deepjyoti Textiles, we continue to monitor these developments closely. While several economic uncertainties remain, opportunities are emerging and we well positioned to capture these.

Global Economy:

The global economy entered a period of increasing complexity in 2025, with growth supported by easing inflation and investment activity, while geopolitical developments and trade uncertainties continued to weigh on the outlook. World GDP expanded by 3.4%, supported by continued investment in technology, resilient labour markets and moderating inflationary pressures. Advanced economies grew by 1.9%, while emerging market and developing economies outperformed with growth of 4.4%, led by India and China.

The global economy is projected to move toward steady growth of 3.1% in 2026, before easing slightly to 3.2% in 2027. A move toward technology-led productivity drives this progress, as artificial intelligence becomes more integrated into industrial and medical fields. This shift helps balance the effects of trade tensions and changing political pressures.

Industry Overview:

Indian Jewelry Market India has long held a dominant position in the global jewellery industry, being one of the largest consumers, manufacturers, and exporters of gold and diamond jewellery. Jewellery in India is not just an adornment but a deep-rooted cultural symbol linked with traditions, festivals, and ceremonies—especially weddings, which drive a significant portion of the annual demand. The Indian jewellery market is broadly classified into:

- Gold Jewellery (plain and studded)
- Diamond and Precious Stone Jewellery
- Silver and Platinum Jewellery
- Antique, Bridal, and Designer Collections

The market is characterized by a large unorganized sector with traditional artisans and family-run businesses, a rapidly growing organized sector, led by branded chains and listed companies and a shift from traditional retail to digital and omni-channel platforms.

OPPORTUNITIES AND THREATS:

Following can be termed as the opportunities / strengths of the Company:

- Induction of widely experienced and specialized personnel on the Board.
- Good combination of technical as well as advisory personnel in the management.
- Some of the world retail majors have decided sometime back to source part of their requirements from India. This shall further the growth of the Diamond industry in India.
- The unfavorable government policies cut throat competition amongst manufacturers and exporters remains major concerns for the Gems and Jewellery Business.

OUTLOOK

Growth of the Gems and Jewellery Industry is expected to be moderate to better in the years to come depending on the policies of the Government. However Gems and Jewellery Industry is seeing robust growth in the years to come. The Growth rate of the Gems and Jewellery Industry is closely related to the growth of the other Sector and hence movements and developments in the other sectors would also indirectly affect the future of Gems and Jewellery Industry.

CHANGES IN KEY FINANCIAL RATIOS:

Pursuant to provisions of Regulation 34 (3) of SEBI (LODR) Regulation, 2015 read with Schedule V part B(1) details of changes in Key Financial Ratios is given hereunder:

Sr. No.	Key Financial Ratio		FY 2025 - 26	*FY 2024 - 25
1.	Debtors Turnover Ratio	Times	345.36	–
2.	Inventory Turnover Ratio	Times	0.08	–
3.	Interest Coverage Ratio	Times	0.30	1.39
4.	Current Ratio	Times	3.05	3.09
5.	Debt Equity Ratio	Times	0.01	–
6.	Operating Profit Margin	%	3.41	–
7.	Net Profit Margin	%	2.87	–
8.	Change in Return on Net Worth	%	0.65	0.13

*Previous year's Figures have been regrouped / rearranged wherever necessary

RISK AND CONCERNS

Looking at the scenario in India in case of gems and jewellery industry, Risks associated with operating in a particular industry and include risks arising from demand changes, changes in customer's choice and industry changes. Gold price fluctuation risk could arise on account of frequent changes in gold prices either up or downside momentum. It could have adverse impact on earnings. Forex risks could arise from the company being exposed to foreign currency fluctuations which could impact its rupee earnings. Diamond prices usually are not very volatile over a long period of time.

DISCUSSION ON FINANCIAL PERFORMANCE OF THE COMPANY:

During the year under review, the Standalone total Income was **Rs. 1149.37 lacs** as against **Rs. 51.66 lacs** for the corresponding previous year.

Total Comprehensive income for the period was **Rs. 29.32** lacs as against **Rs. 5.86 lacs** in the corresponding previous year

CAUTIONARY STATEMENT

This Management Discussion and Analysis contains forward-looking statements that reflect the Company's current views and expectations with respect to future events and financial performance. These statements are based on certain assumptions and are subject to risks and uncertainties, both known and unknown, which could cause actual results, performance, or achievements to differ materially from those expressed or implied by such forward-looking statements.

Such forward-looking statements involve various assumptions, risks, and uncertainties, including but not limited to changes in market conditions, government regulations, economic developments, geopolitical factors, interest rates, raw material prices, consumer preferences, and other factors beyond the control of the Company. The Company does not undertake any obligation to publicly revise or update any forward-looking statements, whether as a result of new information, future events, or otherwise, unless required by applicable laws.

Accordingly, these statements should not be regarded as guarantees of future performance, and the actual results may materially differ from those anticipated. Readers are advised to exercise caution and not to place undue reliance on these statements, which should be considered in the context of the prevailing market and economic conditions.

For and On behalf of the Board of Directors
Kanani Industries Limited

	PREMJIBHAI KANANI	**HARSHIL KANANI**
Place: Mumbai	**(CHAIRMAN, WHOLE-TIME DIRECTOR)**	**(MANAGING DIRECTOR)**
Date: 13/08/2026	**(DIN : 01567443)**	**(DIN : 01568262)**

ANNEXURE - II

❍ Nomination and Remuneration Policy

CONSTITUTION OF COMMITTEE

The Board of Directors of the Company (the Board) constituted the committee to be known as the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half are independent directors. The Chairman of the Committee is an Independent Director. However, the chairperson of the company (whether executive or nonexecutive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee."

OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement. The objective of this policy is to lay down a framework in relation to remuneration of directors, KMP, senior management personnel and other employees.

The Key Objectives of the Committee would be:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- To formulation of criteria for evaluation of Independent Director and the Board.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To develop a succession plan for the Board and to regularly review the plan.
- To assist the Board in fulfilling responsibilities.
- To Implement and monitor policies and processes regarding principles of corporate governance.

APPLICABILITY

- Directors (Executive and Non-Executive)
- Key Managerial Personnel
- Senior Management Personnel

DEFINITIONS:

"**Act**" shall mean the Companies Act, 2013 and the Rules made thereunder, including the modifications, amendments, clarifications, circulars or re-enactment thereof.

"**Board**" means Board of Directors of the Company.

"**Committee**" means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

"**Company**" means Kanani Industries Limited.

"**Directors"** mean Directors of the Company.

"**Independent Director**" means a Director referred to in Section 149 (6) of the Companies Act, 2013.

"**Key Managerial Personnel**" means key managerial personnel as defined under the Companies Act, 2013 and includes –

- Managing Director, or Executive Director or manager and in their absence, a whole- time director; (includes Executive Chairman)
- Company Secretary;
- Chief Financial Officer; and
- Such other officer as may be prescribed.

"**Policy**" or "**This policy**" means Nomination and Remuneration Policy.

"**Remuneration**" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961.

"**Senior Management**" Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and the Listing Agreement as may be amended from time to time shall have the meaning respectively assigned to them therein.

ROLE AND POWER OF THE COMMITTEE: -

Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee:

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

Policy for appointment and removal of Director, KMP and Senior Management

(i) Appointment criteria and qualifications

a. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

b. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

c. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

(ii) Term / Tenure

a. Managing Director/Whole-time Director:

- The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b. Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

c. Evaluation

- The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

d. Removal

- Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

e. Retirement

- The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

(i) General:

- The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required;
- The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act;
- Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director;
- Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

(ii) Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

- Fixed pay:

  The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

- Minimum Remuneration:

  If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

- Provisions for excess remuneration:

  If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

(iii) Remuneration to Non- Executive / Independent Director:

- Remuneration / Commission:

  The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

- Sitting Fees

  The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

- Commission:

  Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

- Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

MEMBERSHIP:-

- The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- Minimum two (2) members shall constitute a quorum for the Committee meeting.

- Membership of the Committee shall be disclosed in the Annual Report.
- Term of the Committee shall be continued unless terminated by the Board of Directors.

CHAIRMAN:-

- Chairman of the Committee shall be an Independent Director;
- Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee;
- In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman;
- Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

COMMITTEE MEMBERS' INTERESTS

A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

VOTING

- Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- In the case of equality of votes, the Chairman of the meeting will have a casting vote.

MINUTES OF COMMITTEE MEETING

- Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

IMPLEMENTATION

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members.

AMENDMENTS TO THE POLICY

- The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

AMENDMENTS IN THE LAW

- Any subsequent amendment/modification in the listing agreement and/or other applicable laws in this regard shall automatically apply to this Policy.

For and On behalf of the Board of Directors
Kanani Industries Limited

	PREMJIBHAI KANANI	**HARSHIL KANANI**
Place: Mumbai	**(CHAIRMAN, WHOLE-TIME DIRECTOR)**	**(MANAGING DIRECTOR)**
Date: 13/08/2026	**(DIN : 01567443)**	**(DIN : 01568262)**

ANNEXURE - III

PARTICULAR OF EMPLOYEE AND RELATED DISCLOSURE

Information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016

i. The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2025-26; and

ii. The percentage increase in remuneration of each Director, Managing Director, Chief Financial Officer and Company Secretary of the Company in the financial year 2025-26.

	Name & Designation	*Remuneration of each Director & KMP for Financial Year 2025–26 (₹)	% increase / decrease in remuneration in the Financial 2025–26	Ratio of remuneration of each Directors to median remuneration of employees
A.	**Independent Directors**			
	Ami Jariwala	–	–	–
	Tejas Choksi	–	–	–
	Satyam Jaiswal	–	–	–
	Shiwaginee Jaiswal	–	–	–
B.	**Non–Executive Directors**			
	Mr. Darsh Kanani	–	–	–
C.	**Executive Directors/KMP**			
	Premji D. Kanani (WTD)	4,99,200	–	–
	Harshil P. Kanani (MD)	5,01,000	–	–
	Darshak Pandya (CFO)	4,80,000	–	–
	Mehul Kundariya (CS)	2,40,000	–	–

MD - Managing Director, WTD – Whole-time Director, CFO – Chief Financial Officer; CS – Company Secrtary.

Notes: 1. Median remuneration of all the employees of the Company for the financial year 2025-26 is Zero as there were no employees in the organisation except KMP and Directors.

iii. The percentage Increase in the median remuneration of employees in the financial year 2025-26.

Particular	Financial Year 2025 - 26 (₹)	Financial Year 2024 - 25 (₹)	Increase / Decrease (%)
Median remuneration of all employees	–	–	–

Note: The calculation of % increase in the median remuneration has been done based on comparable employees.

iv. The number of permanent employees on the rolls of Company.

There were no permanent employees on the rolls of Company as on March 31, 2026.

v. 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 percentile increase/decrease in the salaries of employee other than the MD in the Financial Year 2025-26 was Zero.

Average increase in remuneration of KMPs: Nil

vi. Affirmation that the remuneration is as per the Remuneration Policy of the Company

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, KMPs, Senior Management and other employees of the Company is as per the Remuneration Policy of the Company.

For and On behalf of the Board of Directors
Kanani Industries Limited

PREMJIBHAI KANANI
(CHAIRMAN, WHOLE-TIME DIRECTOR)
(DIN : 01567443)

HARSHIL KANANI
(MANAGING DIRECTOR)
(DIN : 01568262)

Place: Mumbai
Date: 13/08/2026

ANNEXURE - IV

Information required under Section 197 of the Companies Act, 2013 read with Rule 5(2)(a) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016

A. Names of top 10 employees in terms of remuneration drawn during the FY25-26:

Names of employees	Designation/ Nature of Duties	Remuneration Received [Rs.] p.a.	Qualification	Experience in years	Age in years	Date of commencement of employment	Last employment held	% of shareholding
Harshil Kanani	Managing director	5,01,000	Under Graduate	24	42	28.07.2007	–	25.70%
Premjibhai Kanani	Chairman	4,99,200	Under Graduate	52	67	17.05.2007	Kanani Exports	8.09%
Darshak Pandya	Accountant	4,80,000	B. Com	21	41	01.11.2007	Star Diam	–
Mehul Kundariya	C.S.	2,40,000	Company Secretary	10	35	21.03.2016	–	–

The above employees are related to the Directors of the Company :

Names of Employees	Names of employees who are relatives of any Director
Harshil P. Kanani	Premjibhai Kanani (Father)
Premjibhai D. Kanani	Harshil Kanani (Son)
Darshak Pandya	No Relation with any Director
Mehul Kundariya	No Relation with any Director

B. Names of other employees who are in receipt of aggregate remuneration of not less than rupees one crore and two lakh during the FY25-26 or not less than rupees eight lakh and fifty-thousand per month (if employed for part of the FY22-23): NA

C. If employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company: NA

For and On behalf of the Board of Directors
Kanani Industries Limited

PREMJIBHAI KANANI
(CHAIRMAN, WHOLE-TIME DIRECTOR)
(DIN : 01567443)

HARSHIL KANANI
(MANAGING DIRECTOR)
(DIN : 01568262)

Place: Mumbai
Date: 13/08/2026

ANNEXURE - V

FORM AOC-I

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

Sr. No.	1.
Name of the subsidiary	KIL International Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	March 31, 2026
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	US $ To INR – 89.5660
Share capital	386344082
Reserves & surplus	559041627
Total assets	682807301
Total Liabilities	582507065
Investments	–
Turnover	682807301
Profit before taxation	22982766
Provision for taxation	155426
Profit after taxation	22827340
Proposed Dividend	–
% of shareholding	100%

Names of subsidiaries which are yet to commence operations: N.A.

Names of subsidiaries which have been liquidated or sold during the year: N.A.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

	Name of Associates/Joint Ventures	
1.	Latest audited Balance Sheet Date	–
2.	Shares of Associate/Joint Ventures held by the company on the year end	–
	No.	–
	Amount of Investment in Associates/Joint Venture	–
	Extend of Holding %	–
3.	Description of how there is significant influence	–
4.	Reason why the associate/joint venture is not consolidated	–
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet	–
6.	Profit / Loss for the year	–
	i. Considered in Consolidation	–
	i. Not Considered in Consolidation	–

Names of associates or joint ventures which are yet to commence operations : -

Names of associates or joint ventures which have been liquidated or sold during the year: -

For JMMK & Co.
Chartered Accountant
(FRN : 120459W)

(Jitendra Doshi)
Partner
M. No. 151274
Date : 13/08/2026

For & behalf of Board of Director

PREMJIBHAI KANANI
Chairman

MEHUL KUNDARIYA
Company Secretary

HARSHIL KANANI
Managing Director
Mumbai
Date : 13/08/2026

DARSHAK PANDYA
Chief Finance Officer
Mumbai
Date : 13/08/2026

ANNEXURE - VI

SECRETARIAL AUDIT REPORT
For the financial year ended March 31, 2026
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
KANANI INDUSTRIES LIMITED
DC-6112-6113, Bharat Diamnond Bourse,
G-Block Bandra Kurla Complex, Bandra East,
Mumbai Bandra Suburban 400051

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kanani Industries Limited [CIN: L51900MH1983PLC029598]** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on my said 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2026 ('Audit Period') and subject to the observations mentioned hereinunder, complied with the statutory provisions listed hereunder, the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2026 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under as amended;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under as amended;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under as amended;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings *(to the extent as may be applicable to the Company)*;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —

   (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, 2015 (Not Applicable to the Company during the Audit Period);

   (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (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, 2009;(Not Applicable to the Company during the Audit Period);and

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;(Not Applicable to the Company during the Audit Period);

   (vi) Other laws applicable specifically to the Company, namely:

      (a) Special Economic Zones Act, 2005 read with Special Economic Zone Rules, 2006.

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

      (a) Secretarial Standards issued by The Institute of Company Secretaries of India

      (b) The Listing Agreement entered into by the Company with the Stock Exchanges viz BSE Ltd (BSE) & NSE along with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable for respective periods.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to following observations/qualifications:

- Non-Submission of Annual Report (FY 2023–24): The Company received a letter from the NSE dated April 2, 2025, regarding the non-submission of its Annual Report for the financial year ended March 31, 2024. The required report was subsequently submitted on April 3, 2025;
- Delayed Submission of Financial Results (Q2 FY 2025–26): The Company received a communication from the BSE concerning the late filing of its financial results for the quarter and half year ended September 30, 2025. The Company responded on the same day, explaining that the delay was attributable to last-minute adjustments identified during the closing procedures;
- Waiver Application for Late Filing Penalty (FY 2020–21): On January 7, 2026, the Company received a letter from the BSE regarding a partial waiver of fines imposed under Regulation 23(9) of the SEBI LODR Regulations for the half year ended September 30, 2020. In response, the Company filed a fresh waiver application on January 20, 2026 (Case No. 257448), which was subsequently rejected by the BSE on February 23, 2026;
- Penalty for Late Filing (FY 2022–23): The Company received a penalty letter from the NSE dated February 18, 2026, under Regulation 23(9) of the SEBI LODR Regulations, pertaining to the late submission of related party disclosure for the half year and year ended March 31, 2023. However, as confirmed by the management, the applicable fines had already been paid on July 22, 2023, in response to an earlier notice received on the same date for the same default.

I further report that:

- The composition of the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as on date of issuance of this report;
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;
- All the decisions at the Board Meetings and the Committee Meetings were carried out by majority / unanimously as recorded in the minutes of the Board of Directors and minutes of the Committee Meetings as the case may be.

I 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.

I further report that during the audit period there were no speciûc events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, guidelines and standards.

For: M/s. DEEP SHUKLA & ASSOCIATES

COMPANY SECRETARIES

SD/-

DEEP SHUKLA

PRACTICING COMPANY SECERTARY

(Peer Review Certificate No. 2093/2022)

FCS: 5652, CP: 5364

UDIN: F005652H001038904

Place : Mumbai

Date : 06/08/2026

ANNEXURE TO THE SECRETARIAL AUDIT REPORT

To,

The Members

KANANI INDUSTRIES LIMITED

I further state that my said report of the even date has to be read along with this letter.

1. Maintenance of Secretarial/ Statutory Records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these records based on the audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required I 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, standard is the responsibility of management. My examination is 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 efficacy or effectiveness with which the management has conducted the affairs of the Company.

For: M/s. DEEP SHUKLA & ASSOCIATES

COMPANY SECRETARIES

SD/-

DEEP SHUKLA

PRACTICING COMPANY SECERTARY

(Peer Review Certificate No. 2093/2022)

FCS: 5652, CP: 5364

UDIN: F005652H001038904

Place : Mumbai

Date : 06/08/2026

ANNEXURE - VII

ANNUAL SECRETARIAL COMPLIANCE REPORT

[Pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019]

Annual Secretarial Compliance Report of "Kanani Industries Limited" for the year ended March 31, 2026

We, Deep Shukla & Associates have examined:

(a) all the documents and records made available to us and explanation provided by **Kanani Industries Limited** ***[CIN: L51900MH1983PLC029598]***("the listed entity"),

(b) the filings/ submissions made by the listed entity to the stock exchanges,

(c) website of the listed entity,

(d) other relevant document(s)/ filing, which has been relied upon to make this certification, for the year ended March 31, 2026 ("Review Period") in respect of compliance with the provisions of:

(a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

(b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, are:-

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder. ('Listing Regulations')

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; ***[Not applicable during the review period]***

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 *(to the extent applicable)*;

(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; ***[Not applicable during the review period]***

(e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; ***[Not applicable during the review period)***

(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; ***[Not applicable during the review period]***

(g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; ***[Not applicable during the review period]***

(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 *(to the extent applicable)*;

(i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, as amended;

(j) Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018; and circulars/guidelines issued thereunder;.

We hereby report that, during the review period the compliance status of the listed entity is appended below:

<u>Additional affirmations by Practicing Company Secretaries (PCS) in Annual Secretarial Compliance Report (ASCR) in terms of the BSE circular reference no. 20230316-14 and NSE Circular Ref No: NSE/CML/ 2023/21 both dated March 16, 2023 and Master Circular dated April 29, 2024 from NSE and April 30, 2024 from BSE.</u>

Sr. No	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS*
1	<u>Secretarial Standards:</u> We have conducted a review of the compliance of listed entity in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI).	Yes	–
2	<u>Adoption and timely updation of the Policies:</u> • All applicable policies under SEBI Regulations are adopted with the approval of board of directors / committees, as may be applicable of the listed entity. • All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/ circulars/guidelines issued by SEBI.	Yes	–
3	<u>Maintenance and disclosures on Website</u>: • The listed entity is maintaining a functional website. • Timely dissemination of the documents/ information under a separate section on the website. • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which redirects to the relevant document(s)/ section of the website.	Yes	–
4	<u>Disqualification of Director:</u> None of the Director of the listed entity are disqualified under Section 164 of Companies Act, 2013.	Yes	–

5	To examine details related to Subsidiaries of listed entity: (a) Identification of material subsidiary companies (b) Requirements with respect to disclosure of material as well as other subsidiaries	Yes	–
6	Preservation of Documents: As per the confirmations given by the listed entity, and on our test check basis, it is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under Listing Regulations.	Yes	–
7	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors, and the Committees on an annual basis as prescribed in SEBI Regulations	Yes	–
8	Related Party Transactions: (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transaction were subsequently approved/ratified/rejected by the Audit committee.	Yes	–
9	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of Listing Regulations within the time limits prescribed thereunder	Yes	–
10	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	–
11	Actions taken by SEBI or Stock Exchange(s), if any: No actions taken against the listed entity/ its promoters/directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under Page 5 of 7 SEBI Regulations and circulars/ guidelines issued thereunder.	Yes	–
12	Resignation of statutory auditors from the listed entity or its material subsidiaries: In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and / or its material subsidiary(ies) has / have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by listed entities.	NA	There are no such instances during the period under review
13	Additional Non-compliances, if any: No additional non-compliance observed for all SEBI regulation/ circular/guidance note etc.	Yes	–

Observations /Remarks by PCS are mandatory if the Compliance status is provided as 'No ' or 'NA '

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder except in respect of matters specified below:

Sr. No	Compliance Requirement (Regulations / circulars/guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action Advisory/ Clarification / Fine/ Show Cause Notice/ Warning, etc	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Re-marks
1	Submission annual report	Reg. 34 of SEBI LODR	The company has received letter from NSE on 2nd April, 2025 for Non Submission annual report in XBRL mode for year ended March 31, 2024	Stock Exchange	Letter	–	–	The company has submitted the same on 3rd April, 2025	–	–
2	Submission of Related Party Transactions	Reg. 23 of SEBI LODR	The Company has received partial waiver letter from BSE on 7th Jan., 2026	Stock Exchange	Partial waiver letter	–	–	The company has submitted reply on 16th Jan., 2026 along with additional waiver application on Jan., 20, 2026	–	–

Sr. No	Compliance Requirement (Regulations / circulars/guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action Advisory/ Clarification / Fine/ Show Cause Notice/ Warning, etc	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Re-marks
3	Submission of financial results	Reg. 33 of SEBI LODR	The Company has received clarification letter from NSE on 31st Jan., 2026 for EPS not mentioned in standalone financial results	Stock Exchange	Clarification letter	–	–	The Company has submitted reply on 2nd Feb., 2026	–	–
4	Submission of Related Party Transactions	Reg. 23 of SEBI LODR	The Company has received decision letter from NSE on 18th Feb, 2026	Stock Exchange	Decision Letter	One delay in sub-mission of Related party for March 2023 quarter	5000	As explained by the management the Company has already made the payment 22nd July, 2023	–	–
5	Submission of Related Party Transactions	Reg. 23 of SEBI LODR	The Company has received regret letter from BSE on 23rd Feb, 2026	Stock Exchange	Regret letter	Regret Case Fine under Regulation 23(9) Sept-2020 & Fine Imposed of Rs. 15,75,300 (Including GST)	15,75,300	The Company has submitted reply on 23rd March, 2026	As per management response the said compliance were not applicable for the said quarter but as per re-quested by NSE, it was submitted	–

(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No	Compliance Requirement (Regulations / circulars / guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action Advisory/ Clarification / Fine/ Show Cause Notice/ Warning, etc.	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
Not Applicable										

Assumptions & limitation of scope and review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial records and books of account of the listed entity.
4. This report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (LODR) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For: M/s. Deep Shukla & Associates
Company Secretaries
(Peer Review Certificate No.: 2093/2022)

Deep Shukla
Practicing Company Secretaries
FCS : 5652; CP : 5364
UDIN: F005652H000122351
Date: 16/04/2026
Place: Mumbai

ANNEXURE - VIII

❍ Report on Corporate Governance

Introduction

Corporate Governance is not merely the compliance of a set of regulatory laws and regulations but is a set of good and transparent practices that enable an organization to perform efficiently and ethically to generate long term wealth and create value for all its stakeholders. It goes beyond building and strengthening the trust and integrity of the Company by ensuring conformity with the globally accepted best governance practices. The Securities and Exchange Board of India (SEBI) observes keen vigilance over governance and fulfillment of these regulations in letter and spirit, which entails surety towards sustainable development of the Company, enhancing stakeholders' value eventually.

Company's Philosophy on Corporate Governance

Corporate Governance is a set of systems and practices to ensure that the affairs of the company are being managed in a way which ensures accountability, transparency, and fairness in all its transactions in the widest sense and meet its stakeholder's aspirations and societal expectations. Your Company has committed to bring about the good corporate governance practices. It strongly believes in attaining transparency, accountability and equity, in all its operations, and in its interaction with stakeholders including shareholders, employees, the government and the lenders. The Company keeps itself abreast with the best governance practices on the global front, at the same time conforming to the recent amendments.

The Company believes in adopting the best practices in the areas of Corporate Governance. Even in a strong competitive business environment, the Management and Employees of the Company are committed to value transparency, integrity, honesty and accountability which are fundamental core values of Corporate Governance.

A report on Corporate Governance in accordance with Part C of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("hereinafter referred as SEBI (LODR) Regulations, 2015), is outlined below:

Board of Directors

The Board of Directors ("the Board") facilitates effective fulfillment of the Board's tasks and provides leadership and guidance to the Company's management and helps in supervising the performance of the Company and helps achieving goals. The Board plays a crucial role enhancing and protecting the reputation of the organization are expected to exercise their duties in the best interests of shareholders and to maximize wealth.

The Board comprises of the members distinguished in various fields such as management, finance, law and marketing. This provides reliability to the Company's functioning and the Board ensures a critical examination of the strategies and operational planning mechanisms adopted by the management across the globe.

The Company has an optimum combination of Directors on the Board and is in conformity with Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on March 31, 2026, the Board comprised of 6 Directors out of which 3 are Non-Executive & Independent Directors (including one women director); 2 are Executive Directors and 1 is Non-Executive & Non-Independent Director.

Agenda papers of the Boards and its Committee meetings are circulated to the Directors well in advance of the meetings, supported with significant information as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for an effective and well-informed decision making during the meetings.

The Board meets at regular intervals to discuss and decide on Company's business policy and strategy apart from other normal business. During the Financial Year 2022-2023, 4 (Four) Board Meetings were held on **30th May, 2025, 5th August 2025, 12th November, 2025 and 12th February, 2026.** Time gap between any two meetings was not more than 120 days.

Details of the composition, category of the Directors, their attendance at the Board Meetings held during the year & at the last Annual General Meeting is as under:

Name of the Directors	Category	No. of Board Meeting attended during the year	No. of Equity Shares held on March 31, 2026	Attendance previous AGM Held on the 29th September 2025 (Y-Yes, N-No)	Directorship in other Companies (Including Section 8 Companies)	Other Board Committees	
						Chair - person	Member
Mr. Premjibhai Kanani	Chairman Whole-time Director	3	1,60,12,260	Y	1	–	–
Mr. Harshil Kanani	Managing Director	4	5,08,42,694	Y	–	–	–
Mr. Tejas Morlidhar Choksi	Independent Director	4	0	Y	1		
Mr. Darsh Kanani	Non-Executive & Non-Independent Director	2	0	Y	–	–	–
Mr. Satyam Jaiswal	Independent Director	4	0	N	1	4	–
Mrs. Shiwaginee Jaiswal	Independent Director	4	0	N	1	1	–

Directorship in other listed entities as on March 31, 2026:

Name of the Director	Category	Directorship in other listed Entities During the year	Category of Directorship
Mr. Premjibhai Kanani	Chairman Whole-time Director	Nil	NA
Mr. Harshil Kanani	Managing Director	Nil	NA
Mr. Tejas Morlidhar Choksi	Independent Director	Nil	NA
Mr. Darsh Kanani	Non-Executive & Non-Independent Director	Nil	NA
Mr. Satyam Jaiswal	Independent Director	Thirani Projects Ltd	Independent Director
Mrs. Shiwaginee Jaiswal	Independent Director	Shalimar Productions Limited	Independent Director

The Board periodically reviews the compliance report of all laws applicable to the Company. All the Directors have made necessary disclosures about the directorships and committee positions they occupy in other companies. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees across all Companies in which they are Directors.

The particulars of Directors, who are proposed to be re-appointed at the ensuing AGM, are given in the Notice convening the AGM.

Further, there are no inter-se relationships between our Board Members except Mr. Premjibhai Kanani and Mr. Harshil Kanani being relative and promoter of the Company.

Audit Committee

The Audit Committee comprises of experts specializing in accounting / financial management. During the Financial Year 2024-25, 4 (Four) Meetings were held on **30th May, 2025, 5th August 2025, 12th November, 2025 and 12th February, 2026.** The time gap between any two meetings was not more than 120 days and the Company has complied with all the requirements as mentioned under the Listing Agreement/SEBI (LODR) Regulations, 2015 and the Companies Act, 2013.

Details of the composition of the Committee and attendance during the year are as under:

Name of the Director	Category	No. of Meetings Attended
Mr. Harshil Kanani	Member, Executive Director	04
Mr. Satyam Jaiswal	Chairperson, Independent Director	04
Mrs. Shiwaginee Jaiswal	Member, Independent Director	04

The terms of reference of the Audit Committee are in order to cover the matters specified under revised Regulation 17(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. This Committee has powers and roles comprising of Financial Reporting and disclosure, recommendation of appointment/removal of Auditors, reviewing of company's results, evaluation of Independent Directors performances.

Nomination and Remuneration Committee

The Committee's constitution and terms of reference are in compliance with provisions of section 178 of the Companies Act, 2013, Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

During the Financial Year 2025-26, 3 (Three) Nomination and remuneration Committee Meetings were held on **5th August 2025, 12th November, 2025 and 12th February, 2026.**

Details of composition of the Committee and attendance during the year are as under:

Name of the Director	Category	No. of Meetings Attended
Mr. Tejas Choksi	Chairman, Independent Director	03
Mr. Satyam Jaiswal	Member, Independent Director	03
Mrs. Shiwaginee Jaiswal	Member, Independent Director	03

This Committee has powers to recommend/ approve remuneration, Identification of Persons who are qualified to become director, Recommend to the board their appointment and removal, approve remuneration of Non Executive Directors.

The performance evaluation criteria for independent directors are defined in Performance Evaluation Policy, which is available on our website www.kananiindustries.com.

Remuneration Policy for Key Managerial Personnel and other Employees of the Company

As per listing regulation the Company is required to frame Remuneration Policy for Key Managerial Personnel and Other employees. The Nomination and Remuneration Committee are responsible for Identifying suitable person eligible to become director and recommend to the Board their appointment and removal. Through its compensation programme, the Company endeavors to attract, retain, develop and motivate a high performance workforce.

Details of remuneration paid to Directors and Key Managerial Personnel are as under:

Sr. No.	Name of Directors and KMP	Designation	Fixed Salary per annum (in ₹)			Commi-ssion	Sitting Fees	Total
			Basic	Perquisite/ Allowances	Total Fixed Salary			
1.	Mr. Premji Kanani	Chairman and Wholetime Director	4,99,200	–	4,99,200	–	–	4,99,200
2.	Mr. Harshil Kanani	Managing Director	5,01,000	–	5,01,000	–	–	5,01,000
3.	Mr. Darshak Pandya	Chief Financial Officer	4,80,000	–	4,80,000	–	–	4,56,000
4.	Mr. Mehul Kundariya	Company Secretary	2,40,000	–	2,40,000	–	–	2,40,000

Further, there is no pecuniary relationship or transactions of the non-executive director's vis-à-vis the Company. None of the Executive Directors are eligible for payment of any severance fees.

Stakeholders' Relationship Committee

The terms of reference are in line with Section 178 of the Companies Act, 2013 and Regulation 20 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee reviews Shareholder's/ Investor' s complaints like non-receipt of Annual Report, physical transfer/ transmission/transposition, split/ consolidation of share certificates, issue of duplicate share certificates etc. This Committee is also empowered to consider and resolve the grievance of other stakeholders of the Company including security holders.

During the Financial Year 2024-25, 2 (Two) Meetings were held on **12th November, 2025 and 12th February, 2026**. The details of composition of the Committee and attendance during the year are as under:

Name of the Director	Category	No. of Meetings Attended
Mr. Harshil Kanani	Member, Executive Director	02
Mr. Satyam Jaiswal	Chairperson, Independent Director	02
Mrs. Shiwaginee Jaiswal	Member, Independent Director	02

The details of complaints received and resolved during the Financial Year ended March 31, 2026 are given in the Table below. The complaints relate to non-receipt of annual report, dividend, share transfers, other investor grievances, etc.

Details of complaints received and resolved during the Financial Year 2025-26:

Particulars	Number of Compliant
Opening as on April 1, 2025	–
Received during the year	–
Resolved during the year	–
Closing as on March 31, 2026	–

GENERAL BODY MEETINGS

Financial Year	Date	Location of the Meeting	Time	Special Resolution(s) Passed
2022-2023	15th September, 2023	Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")	11.00 A.M	01
2023-2024	27th September, 2024	Krishna Palace Residency Hotel, 96/98, Grant Road, Mumbai – 400007, Maharashtra, India	10.30 A.M	05
2024-2025	29th September, 2025	Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")	11.00 A.M	–

No Special Resolution was passed by the Company last year through Postal Ballot. None of the businesses proposed to be transacted at the ensuing AGM require passing a Special Resolution through Postal Ballot.

Training for Board Members

Regulation 25(7) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, every listed company is required to conduct familiarization programme enabling the Independent Directors of the Company to understand the Company's business in depth that would facilitate their active participation in managing the Company.

The Company has adopted a system to familiarize its Independent Directors with the Company, to make them aware of their roles, rights & responsibilities in the Company, and nature of the industry in which the Company operates business model of the Company, etc.

Performance Evaluation

The performance evaluation process is a constructive mechanism for improving board effectiveness, maximizing strengths and tackling weaknesses, leading to an immediate improvement in performance throughout the organization. The Board of the Company has carried out the annual performance evaluation of its own performance, the Directors individually including the Chairman of the Board as well as the evaluation of the working of its Audit Committee, Nomination & Remuneration Committee, and Stakeholders Relationship Committee on parameters such as attendance and participation in the Meetings, preparedness for the meetings, understanding of the Company & the external environment in which it operates, contribution to strategic direction, raising of valid concerns to the Board, constructive contribution to issues, active participation at meetings and engaging with & challenging the management team without confronting or obstructing the proceeding of the Board and its Committee meetings of which the Director is a member pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors at its meeting. The Directors expressed their satisfaction with the evaluation process.

Disclosures

I. Related Party Transactions

The transactions with related parties as per Accounting Standard AS-18 are set out in Notes to accounts under Note no. 22(9) forming part of financial statements. Further, no transactions were entered into with Related Parties as defined under Section 188 the Companies Act, 2013. Further, there were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company.

II. Managing Director Certification

Certification on financial statements pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been obtained from the Managing Director of the Company. Extract of the same is given at the end of this Report.

III. Code of Conduct for Directors

The Board has laid down Codes of Conduct for Executive Directors and for Non-Executive/ Independent Directors of the Company. The Codes of Conduct have been circulated to the Board and the compliance of the same has been affirmed by them. A declaration signed by the MD in this regard is given at the end of this Report.

IV. Subsidiary Companies

The Company has no material non-listed Indian Subsidiary Company as defined in Regulation 24 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

However, the Company has a foreign wholly owned subsidiary.

V. Risk Management & Internal Control

The board has ultimate responsibility for risk management and internal control, including for the determination of the nature and extent of the principal risks it is willing to take to achieve its strategic objectives and for ensuring that an appropriate culture has been embedded throughout the organization. The Company has implemented a comprehensive 'Enterprise Risk Management' framework in order to understand the risks they are exposed to, put controls in place to counter threats, and effectively pursue their objectives and further to anticipate, idenify, measure, mitigate, monitor and report the risks, details of which are given in the Risk Management section under 'Management Discussion and Analysis Report' which forms part of this Annual Report. The team presents their key audit findings of every quarter to the Audit Committee. The management updates the members about the remedial actions taken or proposed for the same. The suggestions and comments from the Committee members are vigilantly incorporated and executed by the Company.

VI. Independent Directors

The Independent Directors of the Company have the option and freedom to meet and interact with the Company's Management as and when they deem it necessary. They are provided with necessary resources and support to enable them to analyze the information/data provided by the Management and help them to perform their role effectively.

VII. Compliance with mandatory / discretionary requirements under Regulation 27 read with Schedule II Part E of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

The Company has complied with all mandatory requirements under Regulation 27 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The status of compliance with non mandatory recommendations under Regulation 27 and Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided below:

- Separate posts of Chairman and CEO: The Company has separate Chairman and Managing Director;
- Modified opinion in Audit Report: The Company has moved to unmodified audit opinion regime
- Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

VIII. 14.8 Review of Directors' Responsibility Statement:

The Board in its report has confirmed that the annual accounts for the financial year ended 31st March, 2026 have been prepared as per applicable Accounting Standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

IX. Details of utilization of funds raised through preferential allotment or qualified institutions placement:

The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year ended 31st March, 2026.

X. Recommendation by Committee:

The Board has accepted all recommendations made by its committees during the financial year ended 31st March, 2026.

XI. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/network entity of which the statutory auditor is a part, given below:

Nature of Payments	Amount (Rs. In Lakhs)
Statutory Audit	1.50
Tax Audit	0.25
Other Services including reimbursement of expenses	–
Total	**1.75**

XII. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Sr. No.	Particulars	No. of Complaints
a.	Complaints filed during the financial year	Nil
b.	Complaints disposed of during the financial year	Nil
c.	Complaints pending as on end of the financial year	Nil

XIII. Disclosure of the compliance with Corporate Governance:

The Company has complied with the Regulations 17-20, 22-23, 24A, 25-27 and Clauses (b) to (i) of sub regulations (2) of Regulation 46 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, during the financial year ended 31st March, 2025. Regulations 21 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are not applicable to the Company.

Means of Communication

The quarterly and annual financial results are normally published in Business Standard (English) and Mumbai Lakhsyadeep (Marathi) newspapers. The following information is promptly uploaded on the Company's website viz. www.kananiindustries.com.

General Shareholder Information

i. Annual General Meeting

Day, Date & Time	Wednesday, 28th September, 2026 at 11.00 AM (IST)
Venue	Through VC or OAVM

ii. Financial year - April 1, 2026 to March 31, 2027

Financial Calendar (Tentative) – Financial Year 2026-27

1st Quarter	On or before 15th August, 2026
2nd Quarter	On or before 15th November, 2026
3rd Quarter	On or before 15th February, 2026
4th Quarter	On or before 30th May, 2027

iii. Dividend

In order to conserve the resources for the further growth of the Company, your Directors think fit not to recommend any dividend for the year under review.

iv. Listing with Stock Exchange:

The Company confirms that it has paid the Annual Listing Fees for the year 2025-26 to BSE and NSE where the Company's Equity Shares are listed.

v. Stock Code / Symbol

BSE Security Code	506184
NSE Security ID	KANANIIND
ISIN in (NSDL and CDSL)	INE879E01037
Corporate Identity Number (CIN)	L51900MH1983PLC029598

vi. Market Price Data

The market price data i.e. monthly high and low prices of the Company's shares on BSE Limited (BSE) are given below:

Month	*BSE	
	Share Price (₹)	
	High	Low
Apr-2025	2.72	1.62
May-2025	2.34	2.04
Jun-2025	2.32	2.05
Jul-2025	2.17	1.98
Aug-2025	2.14	1.81
Sep-2025	2.23	1.91
Oct-2025	2.14	1.87
Nov-2025	1.98	1.50
Dec-2025	1.89	1.52
Jan-2026	1.90	1.33
Feb-2026	1.85	1.41
Mar-2026	1.63	1.05

* Source: BSE Website

The market price data i.e. monthly high and low prices of the Company's shares on National Stock Exchange India Limited (NSE) are given below:

Month	*NSE	
	Share Price (₹)	
	High	Low
Apr-2025	2.72	1.62
May-2025	2.36	2.07
Jun-2025	2.25	2.06
Jul-2025	2.17	1.97
Aug-2025	2.13	1.79
Sep-2025	2.27	1.83
Oct-2025	2.04	1.87
Nov-2025	1.94	1.62
Dec-2025	1.78	1.42
Jan-2026	1.77	1.45
Feb-2026	1.75	1.47
Mar-2026	1.51	1.02

* Source: NSE Website

vii. Registrar & Transfer Agent

MUFG Intime India Private Limited
C-101, 247 Park, L.B.S.Marg, Vikhroli West,
Mumbai – 400083, Maharashtra, India.
Tel No.: 022 - 4918 6000
E-mail: mumbai@in.mpms.mufg.com

viii. Share Transfer System

Share Transfers in physical form can be lodged with MUFG Intime India Private Limited. The transfers are normally processed within 15 days from the date of receipt if the documents are complete in all respects.

ix. Distribution of shareholding

Share Holding (Nominal Value) ₹	Shareholders	
	No.	%
UPTO TO 5000	85890	95.31
5001 TO 10000	2219	2.46
10001 TO 20000	1133	1.26
20001 TO 30000	355	0.39
30001 TO 40000	154	0.17
40001 TO 50000	103	0.11
50001 TO 100000	145	0.16
100001 TO ABOVE	116	0.13
TOTAL	**90115**	**100.00**

x. Shareholding pattern as on March 31, 2026:

Sr. No.	Category	Total No. of Shares held (of Re. 1/- each)	% of Total Shareholdings
1.	Promoter Group	66854954	33.79
2.	Financial Institutions / Banks	–	–
3.	Individual shareholders holding nominal share capital upto Rs. 2 lakh.	108104436	54.63
4.	Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	17522740	8.86
5.	Non Resident Indians	2383114	1.20
6.	Bodies Corporate	1293614	0.65
7.	LLP	695	0.00
8.	Unclaimed or Suspense or Escrow Account	51210	0.03
9.	Clearing Member	109651	0.06
10.	Hindu Undivided Family	1547586	0.78
	Total	**197868000**	**100.00**

xi. Top 10 Shareholders as on March 31, 2026:

Sr. No.	For each of the Top 10 Shareholders	Shareholding as on 31st March, 2026	
		No. of shares	% of total shares of the Company
1.	Shivaniba Mayursinh Chudasama	2116502	1.0697
2.	Sandip Gayen	1301490	0.6578
3.	Hardik Mahendra Shah	640000	0.3234
4.	Rahul Rudolph Dsouza	612632	0.3096
5.	Shreyank S Patel	587400	0.2969
6.	Ramesh Mohanbhai Patel	570520	0.2883
7.	Jagdish Prasad Bagri	522902	0.2643
8.	Vestingvelth Grow Private Limited	520390	0.2630
9.	Ajith P Mathew	500000	0.2527
10.	Brijesh Nandlal Upadhyay	500000	0.2527

xiii. Dematerialization of Shares and Liquidity

According to the requirements of the Securities & Exchange Board of India (SEBI) the shares of the company are to be compulsorily traded in a dematerialized form. Consequently the company had written to its shareholders advising them that they had the option of converting their shareholdings from the physical form to the electronic form. As of 31st March, 2026, a total number of 197821800 shares, representing 99.98% of the total shares of the company have been dematerialized.

xiv. Address for Correspondence

DC-6112-6113, Bharat Diamond Bourse, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai: 400051, Maharashtra, India.

xv. Plant Location

Plot No.42, Surat Special Economic Zone, Near Sachin Railway Station, Sachin, Surat, Gujarat

For and On behalf of the Board of Directors
Kanani Industries Limited

PREMJIBHAI KANANI
(CHAIRMAN, WHOLE-TIME DIRECTOR)
(DIN : 01567443)

HARSHIL KANANI
(MANAGING DIRECTOR)
(DIN : 01568262)

Place: Mumbai
Date: 13/08/2026

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Kanani Industries Limited

I have examined the compliance with the conditions of Corporate Governance by Kanani Industries Limited ('the Company') for the year ended March 31, 2026, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations).

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

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the Management has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations during the year ended March 31, 2025.

I state that such compliance 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.

For: M/s. DEEP SHUKLA & ASSOCIATES
COMPANY SECRETARIES

DEEP SHUKLA
{PROPRIETOR}
FCS: 5652
CP NO.5364
UDIN: F005652H001053041

Place: Mumbai
Date: 08.08.2026

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
Kanani Industries Limited

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Kanani Industries Limited having CIN L51900MH1983PLC029598 and having Registered Office at DC-6112-6113, Bharat Diamond Bourse, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai: 400051, Maharashtra, India (hereinafter referred to as 'the Company'), produced before me 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 Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number(DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2026 have been debarred or disqualified from being appointed or continuing as Directors of Companies, by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

DIN No.	Name of Director	Date of Appointment
01567443	Premjibhai Devajibhai Kanani	17/05/2007
01568262	Harshil Premjibhai Kanani	28/07/2007
02778185	Tejas Morlidhar Choksi	13/08/2018
07143995	Satyam Jaiswal	12/08/2024
08721991	Shiwaginee Jaiswal	12/08/2024
07060543	Darsh Lavjibhai Kanani	24/02/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my 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.

For: M/s. DEEP SHUKLA & ASSOCIATES
COMPANY SECRETARIES

DEEP SHUKLA
{PROPRIETOR}
FCS: 5652
CP NO.5364
UDIN: F005652H001053050

Place: Mumbai
Date: 08.08.2026

CERTIFICATION FROM THE MANAGING DIRECTOR AND CFO:

In terms of Regulation 17(8) of **Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015** entered with the BSE Ltd (BSE) and National Stock Exchange of India Limited (NSE), I hereby certify as under:

a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2023 and that to the best of our knowledge and belief:

1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

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

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

There have been no

I. Significant changes in internal control over financial reporting during the year;

II. Significant changes in accounting policies during the year;

III. Instances of fraud of which we have become aware and the involvement therein, of the management or an employee having significant role in the Company's internal control system over financial reporting.

For KANANI INDUTSRIES LIMITED

	HARSHIL KANANI	**DARSHAK PANDYA**
Place : Mumbai	**MANAGING DIRECTOR**	**CHIEF FINANCIAL OFFICER**
Date : 13/08/2026	**DIN : 01568262**	

DECLARATION BY THE MANAGING DIRECTOR ON 'CODE OF CONDUCT'

I hereby confirm that:

The Company has obtained from all the members of the Board and senior management, affirmation that they have complied with the Code of Conduct as applicable to them.

For KANANI INDUTSRIES LIMITED

HARSHIL KANANI

MANAGING DIRECTOR

DIN : 01568262

Place : Mumbai

Date : 13-08-2026

❍ Standalone Auditors Report

To
The Members
Kanani Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Ind AS standalone financial statements of **Kanani Industries Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2026, the statement of Profit and Loss (Including Other Comprehensive Income), the Statement of Change in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Ind AS standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2026, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the financial statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No	Key Audit Matters	Auditor's Response
1.	**Accuracy and completeness of disclosure of related party transaction and compliance with the provision of companies act 2013 and SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 as amended ('SEBI (LODR) 2015')**	**Principle Audit Procedures:**
	We identified the accuracy and completeness of disclosure of related party transactions as set out in respective notes to the Ind AS standalone financial statements as a key audit matter due to: • The significance of transactions with related parties during the year ended March 31, 2026. • Related party transactions are subject to the compliance requirement under the Companies act 2013 and SEBI (LODR) 2015.	Our audit procedure in relation to the disclosure of related party transactions included the following: • We obtained an understanding, evaluated the design and tested operating effectiveness of the controls related to capturing of related party transactions and management's process of ensuring all transactions and balances with related parties have been disclosed in the Ind AS Standalone financial statements. • We obtained an understanding of the Companies policies and procedures in respect of evaluating arms-length pricing and approval process by the audit committee and the board of directors. • We agreed the amounts disclosed with underlying documentation and read relevant agreements, evaluation of arms-length by management, on a sample basis, as part of our evaluation of the disclosure. • We assessed management evaluation of compliance with the provision of section 177 and section 188 of Companies act 2013 and SEBI (LODR) 2015. • We evaluated the disclosures through reading of statutory information books and records and other documents obtained during the course of our audit.

Sr. No	Key Audit Matters	Auditor's Response
2.	**Trade receivables and other financial assets and Impairment**	**Principal Audit Procedures:**
	The Company has significant trade receivables and other financial assets at year end. Given the size of the balances and the risk that some of the trade receivables and other financial assets may not be recoverable, judgement is required to evaluate whether any allowance should be made to reflect the risk.	In view of the significance of the matter, we applied the following key audit procedures: • Obtaining an understanding of and assessing the design, implementation and operating effectiveness of the Company's key internal controls over the process of estimating the loss allowance for trade receivables and other financial assets including adherence to the requirements of the relevant accounting standards. • Assessing the Company's methodology for provisioning towards trade receivables and other financial assets. • Understanding the key inputs used in the provisioning model by the Company such as repayment history, overdue balances, market conditions. • As a part of substantive audit procedures, we tested on sample basis the ageing of trade receivable having different overdue period. • In case of overdue debts inquired with management for any dispute which may require additional provisions. • Assessing the disclosures made against the relevant accounting standards.

Information Other than the Standalone financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Corporate Governance Report and Shareholder Information, but does not include the standalone financial statements and our auditor's report thereon.

The Board's Report, Annexures to Board's Report, Corporate Governance Report and Shareholder Information is expected to be made available to us after the date of this auditor's report. Our opinion on the Ind AS Standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the Ind AS Standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Board's Report, Report on Corporate governance and Business Responsibility report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable in the applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Ind AS Standalone financial statements:

The Company's board of directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS Standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive Income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting standards 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 the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Ind AS Standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identifying and assessing the risks of material misstatements of the standalone 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal financial control relevant to the audit in order design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

  Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our 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

1. 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 Companies Act, 2013, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account;
   d. In our opinion, the aforesaid Ind AS standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

e. On the basis of the written representations received from the directors as on 31st March 2026 taken on records by the Board Directors, none of the disqualified as on 31st March 2026 from being appointed as a director in terms of Section 164 (2) of the Act;

f. With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company with reference to these Standalone financial statements and the operating effectiveness of such controls, refer to our separate report in **"Annexure B"**; Our report expresses an unmodified opinion on adequacy and operative effectiveness of the Company's internal financial controls over financial reporting;

g. In our opinion, the managerial remuneration for the year ended 31st March 2026 has been paid/ provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act

h. 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements as referred to Note 20.5 to Standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.

iii. There were no amounts, which, were required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Notes to the standalone financial statements, 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 or entity, 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;

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in Notes the Standalone financial statement, no funds have been received by the Company from any persons or entities, 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; and

(c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company and hence no comment is required on compliance of Section 123 of the Companies Act, 2013.

vi. Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account for the financial year ended March 31, 2026, which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For JMMK & Co.
Chartered Accountants
ICAI Firm Registration No. 120459W
UDIN: 2615127RVSGJY5390

Jitendra Doshi
Partner
Membership No: 151274
Place: Mumbai
Date: 30th May 2026

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 1 under the heading of 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Kanani Industries Limited of even date")

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.

(b) All Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanation given to us and on the basis of our examination of the records of the company, the titles deeds of immovable properties included in property, Plant and Equipment are held in the name of the company as Kanani Industries Limited.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year and hence this sub-clause is not applicable to the Company.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.

(b) According to the information and explanation gives to us and based on the records produced before us, the company has not sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

(iii) (a) During the year the Company has not provided loans, advances in the nature of loans, provided guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(b) During the year the company has not made any investment and has not provided any guarantees, security and not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the order is not applicable to company

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clauses 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order are not applicable to the Company.

(iv) In our Opinion and as per information and explanation given to us, the company during the year has not granted any loans to any directors etc. nor it has given any loans or guarantees or provided any security in connection with a loan to any person or any other body corporate and also has not made any investments. Therefore, the requirement to report under clauses (iv) of para 3 of the order are not applicable to the company.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act. Accordingly, the provision of paragraph 3(vi) of the Order is not applicable to the Company.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of provident fund, employees' state insurance, service tax, duty of customers, duty of excise, cess, goods and service tax, which have not been deposited on account of any disputes. The particulars of others statutory dues referred to in sub-clause (a) as at March 31, 2026 which have not been deposited on account of a dispute, are as follows:

Sr. No.	Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Diputed Amt. (in Laks)
1	The Income Tax Act, 1961	Income Tax	Commisioner of Income Tax (Appeals)	A Y 2005-06	5.00
2	The Income Tax Act, 1961	Income Tax	Commisioner of Income Tax (Appeals)	A Y 2020-21	0.026
3	The Income Tax Act, 1961	Income Tax	Commisioner of Income Tax (Appeals)	A Y 2012-13	0.462

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the record of the company has not defaulted in repayment of loans and borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) The company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year end hence, reporting under clause 3(ix)(c) of the order is not applicable.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint ventures.

(f) According to the information and explanations given to us by the management, the Company has not raised loans during the year on the pledge of securities held in its subsidiary Company. The Company does not have joint venture or associate companies hence the question of reporting on the same does not arise.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) (a) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.

(xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) In our opinion and according to the information and explanations given to us, 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 Companies Act, 2013 are not applicable to the Company. Accordingly, the provision stated in paragraph 3(xv) of the order are not applicable to the Company.

(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 without obtained a valid Certificate of Registration (CoR) 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.

(d) There is no Core Investment Company as a part of the Group; hence, the requirement to report on Clause 3(xvi) (d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratio (Refer Note 20.12) to the standalone financial statement), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we 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) According to the information and explanations given to us, there is no liability for the company under provisions of section 135 of the companies Act, relating to corporate social responsibility. Therefore, the provisions of clause 3(xx) of the Order are not applicable to the company.

For JMMK & Co.
Chartered Accountants
ICAI Firm Registration No. 120459W
UDIN: 2615127RVSGJY5390

Jitendra Doshi
Partner
Membership No: 151274
Place: Mumbai
Date: 30th May, 2026

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Kanani Industries Limited of even date)

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

We have audited the internal financial controls over financial reporting of **Kanani Industries Limited** (the "Company") as of 31st March, 2026 in conjunction with our audit of the standalone 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 (the "Guidance Note"). 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 the respective 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 ('the Act).

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we 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.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to Ind AS Financial Statement and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to Ind AS Financial Statement, 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 standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting with reference to Ind AS Financial Statement.

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 standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of the management and directors of the company; and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Ind AS Financial Statement, 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 our opinion, to the best of our information and according to the explanations given to us, 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 31st March, 2026, based on the internal financial 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 ICAI.

For JMMK & Co.
Chartered Accountants
ICAI Firm Registration No. 120459W
UDIN: 2615127RVSGJY5390

Jitendra Doshi
Partner
Membership No: 151274
Place: Mumbai
Date: 30th May, 2026

STANDALONE FINANCIAL STATEMENT

❍ Standalone Balance Sheet as at 31st March, 2026

(₹ in Lakhs)

	Notes	As at 31.03.2026	As at 31.03.2025
I. ASSETS			
1. Non–current assets			
a. Property, Plant and Equipment	2	14.88	16.39
b. Investment in Subsidiary	3	2,133.59	2,133.59
c. Other Non–Current Assets	4	0.21	0.21
		2,148.68	**2,150.19**
2. Current assets			
a. Inventories	5	0.79	0.79
b. Financial Assets			
i. Trade Receivable	6	3,524.23	3,354.19
ii. Cash & Cash Equivalents	7	0.56	1.52
iii. Others	8	56.70	51.95
c. Other Current Assets	9	0.42	45.71
		3,582.70	**3,454.16**
TOTAL		**5,731.39**	**5,604.34**
II. EQUITY AND LIABILITIES			
Equity			
a. Equity Share Capital	10	1,978.68	1,978.68
b. Other equity	11	2,530.79	2,501.48
		4,509.47	**4,480.16**
Liabilities			
1. Non Current Liabilities			
a. Financial Liabilities			
i. Borrowings	12	48.00	4.90
		48.00	**4.90**
2. Current Liabilities			
a. Financial Liabilities			
i. Trade Payables	13	1,149.19	1,108.06
b. Other Current Liabilities	14	24.73	11.22
		1,173.92	1,119.29
		1,221.91	**1,124.19**
TOTAL		**5,731.39**	**5,604.34**
Significant Accounting Policies	1		
Notes are an integral part of the financial statements	2-20		

In terms of our report of even date.

For & on behalf of Board of Directors

For JMMK & Co.
Chartered Accountants
ICAI Firm Registeration No. : 120459W

Jitendra Doshi
Partner
Membership No. 151274
UDIN No.: 26151274RVSGJY5390

Place: Mumbai
Date : MAY 30, 2026

PREMJIBHAI KANANI
Chairman
DIN : 01567443

HARSHIL KANANI
Managing Director
DIN : 01568262

MEHUL KUNDARIYA
Company Secretary
PAN NO.: *****9347M

DARSHAK PANDYA
Chief Finance Officer
PAN No.: *****9654F

Place : Mumbai
Date : MAY 30, 2026

❍ Standalone Statement of Profit & Loss for the year ended 31st March, 2026

(₹ in Lakhs)

		Notes	As at 31.03.2026	As at 31.03.2025
	INCOME			
I.	Revenue from operations	**15**	1,020.46	–
II.	Other income	**16**	128.91	51.66
III.	**Total Revenue (I + II)**		**1,149.37**	**51.66**
IV.	**EXPENSES**			
	Purchases of traded goods		1,012.90	–
	Employees benefit expenses	**17**	17.20	17.20
	Finance Cost	**18**	0.11	0.13
	Depreciation and amortization expense	**2**	1.50	2.06
	Other expenses	**19**	82.92	25.33
	TOTAL EXPENSES		**1,114.63**	**44.72**
V.	**Profit before exceptional and extraordinary items and tax (III – IV)**		**34.74**	**6.94**
VI.	**Exceptional Items**		–	–
VII.	**Profit before extraordinary items and tax – (V – VI)**		**34.74**	**6.94**
VIII.	**Extraodinary Items**		–	–
IX.	**Profit before tax (VII – VIII)**		**34.74**	**6.94**
X.	Tax Expense			
	(1) Current tax		(5.42)	(1.08)
XI.	**Profit for the period from continuing operations (IX – X)**		**29.32**	**5.86**
XII.	**Profit from Discontinued operations**		–	–
XIII.	**Tax Expense of Discontinued operations**		–	–
XIV.	**Profit from Discontinued operations (after tax) (XII – XIII)**		–	–
XV.	**Profit for the year (XI + XIV)**		**29.32**	**5.86**
XVI.	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss		–	–
	(ii) Income tax relating to items that will not be reclassified to profit or loss		–	–
	B (i) Items that will be reclassified to profit or loss		–	–
	(ii) Income tax relating to items that will be reclassified to profit or loss		–	–
XVII.	**Total Comprehensive income for the period (XV + XVI)**			
	(Comprising Profit and Other Comprehensive Income for the period)		**29.32**	**5.86**
XVIII.	**Earnings per equity share (for continuing operations):***			
	1. Basic		0.01	0.003
	2. Diluted		0.01	0.003
XIX.	**Earning per equity share (for discontinued operations):**			
	1. Basic		–	–
	2. Diluted		–	–
XX.	**Earnings per equity share (for discontinued & continuing operations)***			
	1. Basic		0.01	0.003
	2. Diluted		0.01	0.003
	*Weighted Average			
	Significant Accounting Policies	**1**		
	Notes are an integral part of the financial statements	**2-20**		

In terms of our report of even date.

For JMMK & Co.
Chartered Accountants
ICAI Firm Registeration No. : 120459W

Jitendra Doshi
Partner
Membership No. 151274
UDIN No.: 26151274RVSGJY5390

Place: Mumbai
Date : MAY 30, 2026

For & on behalf of Board of Directors

PREMJIBHAI KANANI
Chairman
DIN : 01567443

MEHUL KUNDARIYA
Company Secretary
PAN NO.: *****9347M

HARSHIL KANANI
Managing Director
DIN : 01568262

DARSHAK PANDYA
Chief Finance Officer
PAN No.: *****9654F

Place : Mumbai
Date : MAY 30, 2026

❍ Standalone Cash Flow Statement for the year ended 31st March, 2026

(₹ in Lakhs)

			As at 31.03.2026	***As at 31.03.2025***
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Net profit before tax and extra–ordinary items		34.74	6.94
	Adjustments for :			
	Depreciation		1.50	2.06
	Profit on sale of Car		–	(2.05)
	Interest Income		–	(0.00)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES :		**36.24**	**6.95**
	Adjustments for :			
	(Increase)/Decrease in Trade receivables		(170.03)	663.46
	(Increase)/Decrease in Loans and advances and other assets		40.53	(4.16)
	Increase/(Decrease) in Trade payables, other liabilities and provisions		54.63	(78.92)
	CASH GENERATED FROM OPERATIONS		**(38.64)**	**587.33**
	Income Tax(Net of Refunds)		(5.42)	(1.08)
	Net cash flow /(Used in) operating activities	(A)	**(44.05)**	**586.25**
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**			
	Interest Income		–	0.00
	Sale Fixed Assets		–	4.63
	Net cash flow from investing activities	(B)	**–**	**4.63**
C.	**CASH FLOW FROM FINANCING ACTIVITIES :**			
	Proceeds/(Repayment) of Long–Term Borrowings (net)		43.10	(590.08)
	Net cash Flow/(used in) financing activities	(C)	**43.10**	**(590.08)**
D.	**Net Increase/(Decrease) in cash and cash equivalents**	**(A+B+C)**	**(0.96)**	**0.80**
E.	**Cash and Cash Equivalents at the beginning of the year**		**1.52**	**0.72**
F.	**Cash and Cash Equivalents at the end of the year**		**0.56**	**1.52**

Components of Cash and Cash equivalents

Particulars	**Year Ended 31-03-2026**	**Year Ended 31-03-2025**
Balance with Banks		
in Current Account	0.29	1.25
in Fixed Deposit (with original maturity period not more than 3 Months)		
Cash on Hand	0.27	0.27
Total Cash and Cash Equivalents at the end of the year	**0.56**	**1.52**

This is the Cash Flow Statement referred to in our report of even date

For JMMK & Co.
Chartered Accountants
ICAI Firm Registeration No. : 120459W

Jitendra Doshi
Partner
Membership No. 151274
UDIN No.: 26151274RVSGJY5390

Place: Mumbai
Date : MAY 30, 2026

For & on behalf of Board of Directors

PREMJIBHAI KANANI
Chairman
DIN : 01567443

MEHUL KUNDARIYA
Company Secretary
PAN NO.: *****9347M

HARSHIL KANANI
Managing Director
DIN : 01568262

DARSHAK PANDYA
Chief Finance Officer
PAN No.: *****9654F

Place : Mumbai
Date : MAY 30, 2026

❍ NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2026

Company overview

1.0 Kanani Industries Limited is a company incorporated in India and is listed on the Bombay Stock Exchange Ltd & National Stock Exchange Ltd. The company is engaged in manufacture & Export of Diamond Studded Jewellery. The details regarding registered office & Factory is disclosed in the introductory page of this Annual Report.

NOTE '1' : SIGNIFICANT ACCOUNTING POLICES

1.1. **Basis of preparation and presentation**

(i) The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (the 'Act') read with of the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other relevant provisions of the Act.

(ii) The Financial statements have been prepared on the historical cost basis except certain financial assets & liabilities which are measured at fair value wherever applicable:

(iii) All the assets and liabilites have been classified as current or non-current as per the company's normal operating cycle of twelve months and other criteria set out in Schedule III of the Companies Act, 2013.

(iv) All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

1.2. **Use of Estimates & Judgements**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

1.3. **Property, Plant and Equipment**

(i) Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset 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.

(ii) Capital work-in-progress includes expenditure during construcion period incurred on projects under implementation treated as pre-operative expenses pending allocation to the assets. These expenses are apportioned to the respective fixed assets on their completion/ commencement of commercial production.

(iii) Depreciation on property, plant and equipment is provided based on useful life of the assets prescribed in Schedule II to the Companies Act, 2013 on written down value .

(iv) When an assets is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflcted in statement of Profit and Loss.

(v) The Residual Value, useful lives and methods of depreciation of property, plant and equipment are reviewed at the end of each financial year and ajusted prospectively, if appropriate.

Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

1.4. **Impairment of Non-financial Assets**

The Company assesses at each reporting date whether there is any objective evidence that a non-financial asset or a group of non-financial assets are impaired. If any such indications exists, the Company estimates the amount of impairment loss which may be caused to the company. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

1.5. **Investment property**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not used by the Company, is classified as investment property. Investment property is measured at its cost, including related transaction costs and, wherever applicable, borrowing costs less depreciation and impairment, if any.

1.6. **Cash & cash equivalents**

Cash and Cash equivalents include cash and Cheque in hand, bank balances and demand deposits with banks that are readily convertible to known amounts of cash & which are subject to an insignificant risk of changes in value where original maturity is three months or less.

1.7. **Inventory**

Inventories of Finished Goods and Stock-in-trade are stated 'at the lower of cost or net realisable value'. Raw Materials, Work-in-Progress and Goods-in-transit are stated 'at cost'. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formulae used are 'First-in-First-out'. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

Having regard to the nature & value of items of Stores & consumables, the same are treated as consumed in the year of their purchase.

1.8. **Investments in subsidiaries, associates and joint ventures**

Investments in subsidiaries, associates and joint ventures are carried at cost/deemed cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and an impairment provision is recognised, if required immediately to its recoverable amount. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognised in the statement of profit and loss.

1.9. **Financial Instruments**

(i) **Financial Assets**

Initial Recognition and Measurement

Financial assets are recognised when the company becomes party to the contractual provisions of the instruments. Financial assets, other than trade receivables, are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through statement of profit or loss. Financial assets carried at fair value through statement of profit or loss are initially recognised at fair value and transaction costs are expensed in the statement of Profit and Loss.

Subsequent measurement

Financial assets, other than equity instruments, are subsequently measured at amortised cost or fair value through other comprehensive income (OCI) or fair value through profit or loss on the basis of:

- the entity's business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial asset.

Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss (FVTPL)

Investment in financial asset other than equity instrument, not measured at either amortised cost or FVTOCI is measured at FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

Equity Instruments:

All investment in equity instrument classified under finanacial assets are subsequently measured at fair value. Equity instruments which are held for trading are measured at FVTPL.

For all other equity instruments, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Compnay makes such election on an instument-by-instrument basis.

Impairment of financial assets

In accordance with Ind AS 109, the company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial asets other than those measured at fair value through profit and loss (FVTPL)

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12 month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instruments).

(ii) **Financial liabilities**

Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

The Company's financial liabilities includes trade and other payables, loans and borrowings including bank overdrafts and derivative instruments.

Subsequent measurement

Financial liabilities measured at amortised cost are subsequently measured using Effective Interest Rate (EIR) method. Financial liabilities carried at fair value through profit or loss (FVTPL) are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Loans & Borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using EIR method. Gains and losses are recognized in profit & loss when the liabilities are derecognized as well as through EIR amortization process.

Financial Guarantee Contracts

Financial guarantee contracts issued by the Company are those contracts that requires a payment to be made or to reimburse the holder for a loss it incurs because the specified debtors fails to make payment when due in accordance with the term of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequently the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative adjustments.

(iii) **Derivative financial instruments and Hedge Accounting**

The Company can use various derivative financial instruments such as interest rate swaps, currency swaps, forwards & options and commodity contracts to mitigate the risk of changes in interest rates, exchange rates and commodity prices. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

Cashflow hedge

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

Fair value hedge

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item is amortised to Statement of Profit and Loss over the period of maturity

(iv) **Derecognition of financial instruments**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

1.10. **Leases**

Finance lease

Assets taken on lease by the Company in its capacity as lessee, where the company has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalized at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognized for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Operating lease

Company as a lessee

Leases where significant portion of risk and reward of ownership are retained by the lessor are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight line basis over the lease period unless the payments are structured to increase in line with expected general inflation to compensate for the company's expected inflationary cost increases.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in the property, plant and equipment. Lease income on an operating lease is recognised in the Statement of Profit and Loss on a straight line basis over the lease term. unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. Costs, including depreciation, are recognised as an expense in the Statement of Profit and Loss.

1.11. **Fair Value Measurement:**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability
- The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.12. **Borrowing Cost**

Borrowing costs include interest expenses as per effective interest rate and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

1.13. **Provisions and Contingent liabilities and contingent assets**

Provisions represent liabilities for which the amount or timing is uncertain. Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

1.14 **Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be measured reliably.

Sale of goods:

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to the buyer either at the time of dispatch or delivery or when the risk of loss transfers. Export sales are generally recognized based on the shipped on board date as per bill of lading, which is when substantial risks and rewards of ownership are passed to the customers.

Revenue from sale of goods is net of taxes and recovery of charges collected from customers like transport, packing etc. are not treated as part of sales. Sales returns are recognised when appropriate. Revenue is measured at the fair value of consideration received or receivable and is net of price discounts, allowance for volume rebates and similar items.

Claims/Refunds not ascertainable with reasonable certainty are accounted for on final settlement and are recognized as revenue on certainty of receipt on prudent basis.

Rendering of services:

Revenue from sale of services are recognized when the services are rendered.

Other Income

Dividend income on investments is recognised when the right to receive the dividend is established.

Interest income is recognized on a time proportionate basis taking into account the amounts invested and the rate of interest on prudent basis.

1.15. **EMPLOYEE BENEFITS**

Short term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post-employment benefits

Define contrubution Plans

A defined contribution plan is a post-employment benefit plan under which the Company shall pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service., if applicable

Defined benefit Plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/ superannuation. The gratuity is paid @ 15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The management is considering options to value future liability on account of gratuity by a qualified actuarial valuer. On such valuation, the liability shall be recognised in the books of the company. The management will then decide on contribution to be made to an appropriate authority to cover future gratuity liability that may arise.

Empolyee Separation Costs

Compensation to employees who opt for retirement under the voluntary retirement scheme, if any, of the Company is payable in the year of exercise of option by the employee. The Company recognises the employee separation cost when the scheme is announced and the Company is demonstrably committed to it.

1.16. **Foreign exchange transactions and translation**

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

1.17. **TAXES ON INCOME**

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

- Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

- Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

Where there is unabsorbed depreciation and carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future.

1.18. **Government Grants**

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. When the grant relates to an asset, it is recognized as income over the expected useful life of the asset.

In case a non-monetary asset is given free of cost, it is recognised at a fair value. When loans or similar assistance are provided by government or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is recognized as government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received.

1.19. **Earning Per Share**

The basic earning per share (EPS) is computed by dividing the net profit after tax available to equity share holdong for the year by the weighted average number of equity shares outstanding during the current year.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless impact is anti-dilutive.

NOTE '2' : PROPERTY, PLANT AND EQUIPMENT (₹ in Lakhs)

Particulars	Lease Hold Land	Factory Building	Plant & Machinery	Generator	Office Equipment	Air Conditioner	Computer	Refrige-rator	Television (TV)	Weighing Scale	Motor Car	CCTV Camera	Total
Gross Carrying amount													
Deemed cost as at 1st April, 2024	**47.00**	**59.70**	**42.75**	**1.40**	**1.35**	**3.04**	**3.60**	**0.08**	**0.82**	**0.52**	**34.00**	**2.26**	**196.52**
Additions	–	–	–	–	–	–	–	–	–	–	–	–	–
Disposals	–	–	–	–	–	–	–	–	–	–	–	–	–
Reclassification as held for sale	–	–	–	–	–	–	–	–	–	–	–	–	–
Balance as at 31st March, 2025	**47.00**	**59.70**	**42.75**	**1.40**	**1.35**	**3.04**	**3.60**	**0.08**	**0.82**	**0.52**	**34.00**	**2.26**	**196.52**
Additions	–	–	–	–	–	–	–	–	–	–	–	–	–
Disposals	–	–	–	–	–	–	–	–	–	–	–	–	–
Reclassification as held for sale	–	–	–	–	–	–	–	–	–	–	–	–	–
Balance as at 31st March, 2026	**47.00**	**59.70**	**42.75**	**1.40**	**1.35**	**3.04**	**3.60**	**0.08**	**0.82**	**0.52**	**34.00**	**2.26**	**196.52**
Accumulated Depreciation													
Balance as at 1st April, 2024	**47.00**	**47.52**	**37.14**	**1.34**	**0.97**	**1.70**	**3.42**	**0.08**	**0.79**	**0.50**	**31.10**	**2.07**	**173.63**
Depreciation during the year	–	1.20	0.48	–	–	–	–	–	–	–	0.32	0.06	2.06
Disposals	–	–	–	–	–	–	–	–	–	–	2.58	–	2.58
Reclassification as held for sale	–	–	–	–	–	–	–	–	–	–	–	–	–
Balance as at 31st March, 2025	**47.00**	**48.72**	**37.62**	**1.34**	**0.97**	**1.70**	**3.42**	**0.08**	**0.79**	**0.50**	**34.00**	**2.14**	**178.27**
Additions	–	1.08	0.39	–	–	–	–	–	–	–	–	0.03	1.50
Disposals	–	–	–	–	–	–	–	–	–	–	–	–	–
Reclassification as held for sale	–	–	–	–	–	–	–	–	–	–	–	–	–
Balance as at 31st March, 2026	**47.00**	**49.80**	**38.01**	**1.34**	**0.97**	**1.70**	**3.42**	**0.08**	**0.79**	**0.50**	**34.00**	**2.17**	**179.77**
Retained Earning	**–**	**–**	**–**	**–**	**0.36**	**1.34**	**0.16**	**–**	**–**	**–**	**–**	**–**	**1.86**
Net Carrying Amount													
Balance as at 1st April,2024	**0.00**	**12.18**	**5.61**	**0.06**	**0.02**	**–**	**0.02**	**0.00**	**0.03**	**0.02**	**2.90**	**0.19**	**21.03**
Balance as at 31st March, 2025	**0.00**	**10.98**	**5.13**	**0.06**	**0.02**	**–**	**0.02**	**0.00**	**0.03**	**0.02**	**0.00**	**0.12**	**16.39**
Balance as at 31st March, 2026	**0.00**	**9.90**	**4.74**	**0.06**	**0.02**	**–**	**0.02**	**0.00**	**0.03**	**0.02**	**0.00**	**0.09**	**14.88**

NOTE NO.3: INVESTMENTS IN SUBSIDIARY **(₹ in Lakhs)**

Name of the Company	Face Value	Paid up Value	As at 31st March, 2026		As at 31st March, 2025	
			No. / Units	Amount	No. / Units	Amount
Investment in Un-Quoted Shares Investment in wholly onwned Subsidiary Investment in Equity Instruments [Equity Shares of KIL International Ltd. fully paid up]	1	1	3,20,00,000	2,133.59	3,20,00,000	2,133.59
			3,20,00,000	**2,133.59**	**3,20,00,000**	**2,133.59**

(₹ in Lakhs)

	As at 31.03.2026	As at 31.03.2025
NOTE '4' : OTHER NON CURRENT ASSETS		
Advances recoverable in cash or in kind or for value to be received		
Security Deposits	0.33	0.33
Advance Tax (Net–off Provision)	(0.12)	(0.12)
	0.21	**0.21**
NOTE '5' : INVENTORIES		
(As taken, valued and certified by the Management)		
(Valued at lower of cost or net realisable value)		
Raw material		
Bullion	0.79	0.79
	0.79	**0.79**

(₹ in Lakhs)

	As at 31.03.2026	As at 31.03.2025
NOTE '6' : TRADE RECEIVABLES		
Trade receivables	3,524.23	3,354.19
	3,524.23	**3,354.19**
Current portion	–	–
Non–current portion	–	–

Trade Receivable Aging Schedule As at 31st March 2026

Particulars	Less Than 6 Month	6 Month to 1 Year	1 to 2 Year	2 to 3 Year	More than 3 Year	Total
Undisputed Trade Receivable Considered Good	–	–	–	2,302.25	1,209.38	3,511.63
Undisputed Trade Receivable Considered Doubtful	–	–	–	–	12.60	12.60
Disputed Trade Receivable Considered Good	–	–	–	–	–	–
Disputed Trade Receivable Considered Doubtful	–	–	–	–	–	–
Total	**–**	**–**	–	**2,302.25**	**1,221.98**	**3,524.23**

Trade Receivable Aging Schedule As at 31st March 2025

Particulars	Less Than 6 Month	6 Month to 1 Year	1 to 2 Year	2 to 3 Year	More than 3 Year	Total
Undisputed Trade Receivable Considered Good	–	–	2,191.17	1,151.03	–	**3,342.20**
Undisputed Trade Receivable Considered Doubtful	–	–	–	–	11.99	**11.99**
Disputed Trade Receivable Considered Good	–	–	–	–	–	–
Disputed Trade Receivable Considered Doubtful	–	–	–	–	–	–
Total	**–**	**–**	**2,191.17**	**1,151.03**	**11.99**	**3,354.19**

	As at 31.03.2026	As at 31.03.2025
Unsecured, considered good	3,511.63	3,342.20
Doubtful	12.60	11.99
	3,524.23	**3,354.19**
NOTE '7' : CURRENT FINANCIAL ASSETS –CASH AND CASH		
Cash and Cash equivalents		
Balance with Bank in current accounts	0.29	1.25
Cash on hand	0.27	0.27
	0.56	**1.52**
NOTE '8' : CURRENT FINANACIAL ASSETS –OTHER		
Unsecured, Considered good		
Other		
GST	56.70	51.95
	56.70	**51.95**
NOTE '9' : OTHER CURRENT ASSETS		
Other		
Income tax payable A.Y. 2024–25	0.22	0.22
Income tax payable A.Y. 2025–26	0.21	–
Desposit–Beluga Properties Pvt. Ltd.	–	3.40
Bank of Baroda – Penal Interest under protest	–	42.09
	0.42	**45.71**
NOTE '10' : EQUITY SHARE CAPITAL		
Authorised		
20,00,00,000 (Previous Year : 20,00,00,000) Equity Shares of Rs.1/- each.	2,000.00	2,000.00
	2,000.00	**2,000.00**
Issued, Subscribed & Paid up		
19,78,68,000 (Previous year : 19,78,68,000) Equity Shares of Rs.1/- each	1,978.68	1,978.68
TOTAL	**1,978.68**	**1,978.68**

(a) **Reconciliation of the Equity Shares outstanding at the beginning and at the end of the year :**

Particulars	31st March, 2026		31st March, 2025	
	No.of Shares	₹ in Lakhs	No.of Shares	₹ in Lakhs
At the beginning of the year	19,78,68,000	1,978.68	19,78,68,000	1,978.68
Issued during the year – Bonus Issue	–	–	–	–
Outstanding at the end of the year	19,78,68,000	1,978.68	19,78,68,000	1,978.68

(b) **Equity Shareholder holding more than 5% equity shares along with number of equity shares is given below :**

Name of the Shareholder	31st March, 2026		31st March, 2025	
	No.of Shares	%	No.of Shares	%
Premjibhai Devjibhai Kanani	1,60,12,260	8.09%	1,60,12,260	8.09%
Harshil Premjibhai Kanani	5,08,42,694	25.70%	5,08,42,694	25.70%
	6,68,54,954	**33.79%**	**6,68,54,954**	**33.79%**

(c) **Shares held by Promoters at the end of the year:**

Name of the Promoters	No. of Shares			% of holding of equity shares	% of change during the year
	31-03-2026	Change	31-03-2025		
Harshil Premjibhai Kanani	5,08,42,694	–	5,08,42,694	25.70%	0.00%
Premjibhai Devjibhai Kanani	1,60,12,260	–	1,60,12,260	8.09%	0.00%
	6,68,54,954	**–**	**6,68,54,954**	**33.79%**	**0.00%**

(d) **Shares held by Promoters at the end of the year:**

Name of the Promoters	No. of Shares			% of holding of equity shares	% of change during the year
	31-03-2025	Change	31-03-2024		
Harshil Premjibhai Kanani	5,08,42,694	(4,63,37,002)	9,71,79,696	25.70%	–23.42%
Premjibhai Devjibhai Kanani	1,60,12,260	–	1,60,12,260	8.09%	0.00%
	6,68,54,954	**(4,63,37,002)**	**11,31,91,956**	**33.79%**	**–23.42%**

(e) **Terms/rights attached to equity shares :**

The company has only one class of equity shares having a par value of Rs 1/– per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held *by* the shareholders.

NOTE '11' : OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserves and Surplus			
	General Reserve	SEZ Re-Investment Reserve	Retained earnings	Total other equity
Balance as at April 01, 2024	**161.77**	**–**	**2,333.85**	**2,495.62**
Profit for the year	–	–	5.86	5.86
Other comprehesive income for the year, net of tax	–	–	–	–
Creation of General Reserve	–	–	–	–
Capitalised by way of issue of fully paid up Bonus Shares	–	–	–	–
Balance as at March 31, 2025	**161.77**	–	**2,339.71**	**2,501.48**
Profit for the year	–	–	29.32	29.32
Other comprehesive income for the year, net of tax	–	–	–	–
Creation of General Reserve	–	–	–	–
Capitalised by way of issue of fully paid up Bonus Shares	–	–	–	–
Balance as at March 31, 2026	**161.77**	–	**2,369.03**	**2,530.79**

(₹ in Lakhs)

	As at 31.03.2026	As at 31.03.2025
NOTE '12' : BORROWINGS		
Unsecured		
From related party		
Shri Premjibhai Kanani	48.00	4.90
	48.00	**4.90**
NOTE '13' : TRADE PAYABLES		
Micro, Small and Medium enterprises	–	–
Others	1,149.19	1,108.06
	1,149.19	**1,108.06**

TRADE PAYABLE AGING SCHEDULE AS AT 31ST MARCH 2026

Particulars	Less than 1 Year	1 to 2 Year	2 to 3 Year	More than 3 Year	Total
MSME	–	–	–	–	–
Others	–	150.85	504.44	493.90	**1,149.19**
Disputed Dues - MSME	–	–	–	–	–
Disputed Dues - Others	–	–	–	–	–
Total	**–**	**150.85**	**504.44**	**493.90**	**1,149.19**

TRADE PAYABLE AGING SCHEDULE AS AT 31ST MARCH 2025

Particulars	Less than 1 Year	1 to 2 Year	2 to 3 Year	More than 3 Year	Total
MSME	–	–	–	–	–
Others	21.87	122.75	738.78	224.66	**1,108.06**
Disputed Dues - MSME	–	–	–	–	–
Disputed Dues - Others	–	–	–	–	–
Total	**21.87**	**122.75**	**738.78**	**224.66**	**1,108.06**

(₹ in Lakhs)

	As at 31.03.2025	As at 31.03.2024
NOTE '14' : OTHER CURRENT LIABILITIES		
Other Payables		
Statutory dues payable	5.36	1.72
Due to Employees	16.50	6.50
Other Liabilities	2.87	3.00
	24.73	**11.22**
NOTE '15' : REVENUE FROM OPERATIONS		
Sale of products		
Lab Grown Polished Diamonds	262.73	–
Lab Grown Rough Diamonds	757.73	–
	1,020.46	**–**
NOTE '16' : OTHER INCOME		
Gain/(loss) in exchange rate fluctuation	128.91	45.81
Service charges	–	3.80
Profit on Sale Fixed Assets	–	2.05
	128.91	**51.66**

(₹ in Lakhs)

	As at 31.03.2026	As at 31.03.2025
NOTE '17' : EMPLOYEES BENEFIT EXPENSES		
Salary, Wages and Bonus	15.31	15.31
Staff Welfare	1.89	1.89
	17.20	**17.20**
NOTE '18' : FINANCE COSTS		
Net Interest	0.11	0.13
	0.11	**0.13**
NOTE '19' : OTHER EXPENSES		
Power & Fuel	0.12	–
Audit fees	1.50	1.50
Tax Audit fees	0.25	0.25
Rates & Taxes	9.28	7.63
Legal & Professional Fee	21.82	11.30
Bank Charges	0.49	0.25
Miscellaneous Expenses	49.45	4.40
	82.92	**25.33**
NOTE '20' NOTES TO ACCOUNTS		
20.1 AUDITORS' REMUNERATION		
Audit Fee	1.50	1.50
	1.50	**1.50**
20.2 EARNINGS PER SHARE (EPS)		
Net Profit after tax as per statement of Profit and Loss attributable to equity shareholders	29.32	5.86
Weighted average number of equity shares outstanding	19,78,68,000	19,78,68,000
Face Value per equity share (Rs.)	1.00	1.00
Basic Earnings Per Share (Rs.)	0.01	0.003
Diluted Earinings per Share (Rs.)	0.01	0.003
20.3 INCOME TAX RECONCILATION		
Profit before tax	34.74	6.94
Applicable Tax Rate	15.600%	15.600%
Computed Tax Expenses	5.42	1.08
Tax Effect of :		
Expenses disallowed	0.11	0.13
Tax Expenses	**5.53**	**1.21**
	15.912%	17.432%

20.4 IMPORTED & INDIGENOUS MATERIALS CONSUMED

	As at 31.03.2026		As at 31.03.2025	
	%	₹ in Lakhs	%	₹ in Lakhs
Raw Materials				
Imported	–	–	–	–
Indigenously obtained	–	–	–	–
	–	–	–	–
Stores				
Imported	–	–	–	–
Indigenously obtained	–	–	–	–
	–	–	–	–

20.5 CONTINGENT LIABILITY

The assessee has preferred an appeal before the Commissioner of Income Tax (Appeals) against an order passed by Deputy Commissioner of Income Tax for the Assessment Years 2012–13, 2020–21 & 2005–06 raising a demand of Rs. 46,178/–, Rs. 2,663/– & 5,00,062/– respectively.

20.6 In the opinion of the management and to the best of their knowledge, the current assets, loans & advances are approximately of the value stated, if realised in the ordinary course of business, unless otherwise stated.

20.7 The Company is trying to ascertain the enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act). Based on the details regarding the status of the suppliers, to the extent obtained, no supplier is covered under the Act.

20.8 The Company has not provided for its gratuity liability for the current year in absence of actuarial valuation. The management has initited efforts to appoint a certified actuarial valuer to estimate the future estimated liability on account of gratuity that may be payable by the Company.

20.9 RELATED PARTIES DISCLOSURES

a) Names of related parties and nature of relationship where control exists :

Wholly Owned Subsidiary Company

KIL International Limited

Key Management Personnel

Harshil P. Kanani

Premji D. Kanani

Enterprises where key management personnel have control

Kanani Polyfab Pvt. Ltd.

M/s. Star Diam

(₹ in Lakhs)

	As at 31.03.2026	As at 31.03.2025
b) Transactions with related parties		
Loan from Director	50.70	28.55
Loan repayment to Director	7.61	618.63
Payment to Key Managerial personnel/Relative	17.20	17.20
c) Balances at the year end		
Remuneration to Director Payable	15.00	5.00
Investment in Subsidiary	2,133.59	2,133.59
Loan from Director	48.00	4.90
d) Disclosure in Respect of Major Related Party Transactions during the year		
Payment to Key Managerial Personnel/Relative		
Premjibhai D. Kanani	4.99	4.99
Harshil P. Kanani	5.01	5.01
Darshak A. Pandya	4.80	4.80
Mehul S. Kundariya	2.40	2.40

Disclosure under Clause 32 of the Listing Agreement

Loans and advances in the nature of loans given to subsidiaries:

KIL International Limited		
Maximum Balance outstanding during the year	–	–
Closing Balance	–	–

20.10 The company has only one reportable segment i.e. Studded Jewellery, therefore no separate information is being given under Accounting Standard - AS 17 “Segment Reporting”.

20.11 Forward contracts entered into by the company and outstanding as on 31st March, 2026 : NIL

Forward contracts entered into by the company and outstanding as on 31st March, 2025: NIL

20.12 Key Ratio

Sr. No.	Ratio	Numerator	Denominator	31st March 2026	31st March 2025	% of Variance	Reason for Variance
1	Current Ratio	Current Asstes	Current Liabilities	3.0519	3.0860	**(1.11)**	Due to payment to tade payable improved during the year under review
2	Debt-Equity Ratio	Total Debt (Non-Current borrwings+Current Borrowings)	Shareholdrer's Equity	0.0106	0.0011	**873.12**	Due to decrease in short term unsecured loan from director
3	Debt Service Coverage Ratio	Net profit after taxes + Non-cash operating expesnes (depreciation) + Finance costs	Interest payments	285.0925	64.2461	**343.75**	Due to decrease in net profit there is reduction in interest payment
4	Return on Equity Ratio	Net Profit after Taxes	Average Shareholder Equity	0.6501%	0.1308%	**397.14**	Due to decrease in turnover along with decrease in exchange rate gain, return on equity ratio decrerased
5	Inventory Turnover Ratio	Sale of Products	Average Inventory	1,289.0955	–	**100.00**	Due to decrease in avearge Inventory held during the year as compared to previous year
6	Trade Receivables Turnover Ratio	Sale of Products	Average Trade Receivables	0.2967	–	**100.00**	Due to increase in receipt from trade receivable theres is deduction in average trade receivable ratio
7	Trade Payables Turnover Ratio	Cost of Good sold (comprises of Purchase)	Average Trade Payables	0.9042	–	**100.00**	Due to decrease in trade payables there is reduction in average trade payable ratio
8	Net Capital Turnover Ratio	Sale of Products	Working Capital	0.4236	–	**100.00**	Due to decrease in working capital as compared to last year
9	Net Proft Ratio (%)	Net Profit after taxes	Sale of Products	0.0287	–	**100.00**	Due to decrease in turnover along with decrease in exchange rate gain, return on net profitt ratio decrerased
10	Return on Capital Employed	Earnings before interest and taxes (Loss before taxes + Finance Costs)	"Capital employed (Tangible Net worth + Total Debt)"	0.0076	0.0016	**385.23**	Due to decrease in turnover along with decrease in exchange rate gain, return on capital employed ratio decrerased

20.13 Other Statutory Information

(i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31st March, 2026.

(iii) The provision regarding CSR expenses under Sec 135 of the Companies Act, 2013 are not applicable to company,

(iv) The Company or its promoters has not been declared wilful defaulter by any bank of financial Institution or other lender.

(v) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial period.

(vi) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) 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

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries,

(vii) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) 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

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(viii) The Company have no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961),

(ix) The provision regarding CSR expenses under Sec 135 of the Companies Act, 2013 are not applicable to company,

(x) The Company does not have any Scheme of Arrangements which have been approved by the Competent Authority in terms of sections 230 to 237 of the Act.

(xi) **Other information:**

- The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- The Company has not revalued its property plant and equipment or intangible assets or both during current period or previous year
- There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- There are no Core Investment Companies (CIC) in the group.
- The Company has not granted any loans or advances to Directors', KMPs and related parties either severally or jointly with anyother persons that are: a) repayable on demand or b) without specifying any terms or period for repayment.
- On 21 November 2025, the Government of India notified four Labour Codes consolidating 29 existing labour laws. The Ministry of Labour and Employment has issued draft Central Rules and FAQs to facilitate assessment of the financial impact arising from these changes. Accordingly, the Company has considered restructured compensation of employees to assess and account for the incremental impact under Employee benefits expenses in the Statement of Profit and Loss during the year ended 31st March 2026. The Company continues to monitor the notification of final Central/State rules and related clarifications and will evaluate and account for any additional impact in the period in which such rules are notified or clarifications issued.
- In the opinion of the management the value on realization of current assets, Loans and Advance in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

20.14 FAIR VALUATION MEASUREMENT HIERARCHY (₹ in Lakhs)

Particulars	As at 31st March, 2026			As at 31st March, 2025		
	Carrying amount	Level of Input used in		Carrying amount	Level of Input used in	
		Level 1	Level 2		Level 1	Level 2
Financial Assets						
At Amortised cost						
Trade Receivable	3.524.23			3,354.19		
Cash & Bank Balance	0.56			1.52		
Financial Liabilities						
At Amortised cost						
Borrowing	48.00			4.90		
Trade Payable	1,149.19			1,108.06		
Other Financial Liabilities	24.73			11.01		

The financial instruments are categorized into two levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities; and

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly.

Liquidity Risk

Liquidity risk is the risk that suitable sources of funding for the company's business activities may not be available. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due, so that the company is not forced to obtain funds at higher rates. The Company monitors rolling forecasts of the Company's cash flow position and ensure that the Company is able to meet its financial obligation at all times including contingencies.

Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due causing financial loss to the company. It arises from cash and cash equivalents, financial instruments and principally from credit exposures to customers relating to outstanding receivables. The Company deals with highly rated counter parties.

Foreign currency risk:

The company is exposed to foreign exchange risk arising through its sales and purchases denominated in foreign currencies. The risk management strategy on foreign currency exchange fluctuation arising on account of purchase/sale of diamond is covered in Note 17.Foreign currency sensitivity analysis:The Company is exposed to HKD currency. The Company's sensitivity to a 1% increase and decrease in 'Rs against the relevant foreign currency is presented below:The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1% change in foreign currency rates. There is a increase in profit by ¹ 83 lakhs where ¹ strengthens by 1% against the relevant currencies.

20.15 Figures for the previous year have been regrouped/reclassified wherever necessary to conform to current period's classification.

In terms of our report of even date.

For JMMK & Co.
Chartered Accountants
ICAI Firm Registeration No. : 120459W

Jitendra Doshi
Partner
Membership No. 151274
UDIN No.: 26151274RVSGJY5390

Mumbai
MAY 30, 2026

For & on behalf of Board of Directors

PREMJIBHAI KANANI
Chairman
DIN : 01567443

HARSHIL KANANI
Managing Director
DIN : 01568262

MEHUL KUNDARIYA
Company Secretary
PAN NO.: *****9347M

DARSHAK PANDYA
Chief Finance Officer
PAN No.: *****9654F

Mumbai
MAY 30, 2026

CONSOLIDATED FINANCIAL STATEMENT

❍ Consolidated Auditors Report

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **Kanani Industries Limited** (hereinafter referred to as the "Holding Company"), and its foreign subsidiary (Holding Company and its foreign subsidiary together referred to as "The Group") which comprise the consolidated Balance Sheet as at 31st March 2026, the consolidated statement of Profit and Loss (Including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated statement of Cash Flows for the year then ended and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March 2026, the consolidated profit and total comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditor(s) referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the financial statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information Other than the consolidated financial statements and Auditor's Report Thereon

The Holding Company Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Corporate Governance Report and Shareholder Information, but does not include the Consolidated financial statements and our auditor's report thereon.

The Board's Report, Annexures to Board's Report, Corporate Governance Report and Shareholder Information is expected to be made available to us after the date of this auditor's report. Our opinion on the Ind AS Consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the Ind AS Consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Board's Report, Report on Corporate governance and Business Responsibility report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable in the applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Ind AS Consolidated financial statements:

The Holding Company board of directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS Consolidated financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive Income, changes in equity and cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting standards 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 the assets of the Group and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated financial statements, management is responsible for assessing the Group ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Ind AS Consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated financial statements.

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

- Identifying and assess the risks of material misstatements of the Consolidated 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtaining an understanding of internal financial control relevant to the audit in order design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of 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 Group ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities of holding company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of holding company included in the consolidated financial statements of which we are the independent auditors. For the other foreign subsidiary included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

Materiality is the Magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable use of the consolidated financial statements may be influenced. We consider quantitative factors in (i) Planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The annual financial statements of their foreign subsidiary included in the statement, whose financial information reflects total assets of Rs.6,828.07 Lakhs, Total Revenue of Rs.16,358.89 Lakhs and total net profit after tax of Rs. 108.01 Lakhs and Rs. 228.27 Lakhs and total comprehensive income of Rs. 108.01 Lakhs and Rs. 228.27 lakhs for the quarter and the year ended on that date respectively and net cash out flows of Rs. 62.60 Lakhs for the year ended March, 31, 2026, whose financial statements and other financial information have been audited by their independent auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b. In our opinion, proper books of account as required by law have been kept by the Holding Company so far as it appears from our examination of those books;

   c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account;

d. In our opinion, the aforesaid Ind AS Consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as

e. On the basis of the written representations received from the directors as on 31st March 2026 taken on records by the Board Directors, none of the disqualified as on 31st March 2026 from being appointed as a director in terms of Section 164 (2) of the Act;

f. With respect to the adequacy of the Internal Financial Controls over financial reporting of the Holding company with reference to these Consolidated financial statements and the operating effectiveness of such controls, refer to our separate report in "**Annexure A**"; Our report expresses an unmodified opinion on adequacy and operative effectiveness of the Holding Company's internal financial controls over financial reporting;

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, "In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the Holding Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

h. 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Holding Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements as referred to Note 22.3 to consolidated financial statements.

   ii. The Holding Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.

   iii. There were no amounts, which, were required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

   iv. (a) The management of the holding company has represented that, to the best of its knowledge and belief, as disclosed in Notes to the Consolidated financial statements, 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 Holding Company to or in any other person or entity, 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 Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   (b) The management of the holding company has represented that, to the best of its knowledge and belief, as disclosed in Notes the Consolidated financial statement, no funds have been received by the Group from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group 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; and

   (c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

   v. The dividend has neither declared nor paid during the year by the holding Company.

   vi. Based on our examination, which included test checks, the Holding Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2026, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

2. In view of there is no Indian subsidiary of Holding Company, the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/"the order") issued by Central Government in terms of Section 143(11) of the Act, is not applicable.

For JMMK & Co.
Chartered Accountants
ICAI Firm Registration No. 120459W
UDIN: 26151274DPANUK5949

Jitendra Doshi
Partner
Place: Mumbai
Date: 30th May, 2026

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Kanani Industries Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act

In conjunction with our audit of the consolidated financial statements of **Kanani Industries Limited** (hereinafter referred to as the "Holding Company"), as of and for the year ended 31st March 2026, we have audited the internal financial controls with reference to consolidated financial statements of the holding company and its foreign subsidiary (the Holding Company and its Foreign Subsidiary together referred to as "the Group", which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Holding Company Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 (the "Guidance Note"). 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 the respective 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 ('the Act).

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we 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.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to Ind AS Financial Statement and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to Ind AS Financial Statement, 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a bv sis for our audit opinion on the Holding Company's internal financial controls system over financial reporting with reference to Ind AS Financial Statement.

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 consolidated 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 Holding company; (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the holding company are being made only in accordance with authorisations of the management and directors of the holding company; and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the holding assets that could have a material effect on the Consolidated financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Ind AS Financial Statement, 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 our opinion, to the best of our information and according to the explanations given to us, the Holding Company incorporated in India 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 31st March, 2026, based on the internal financial 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 ICAI.

For JMMK & Co.

Chartered Accountants
ICAI Firm Registration No. 120459W
UDIN: 26151274DPANUK5949

Jitendra Doshi
Partner
Membership No: 151274
Place: Mumbai
Date: 30th May 2026

❍ Consolidated Balance Sheet as at 31st March, 2026

(₹ in Lakhs)

	Notes	As at 31.03.2026	As at 31.03.2025
I. ASSETS			
1. Non–current assets			
a. Property, Plant and Equipment	**2**	14.88	16.39
b. Other Non–Current Assets	**3**	3.11	2.85
		17.99	**19.24**
2. Current assets			
a. Inventories	**4**	1,649.07	1,987.71
b. Financial Assets		–	–
i. Trade Receivable	**5**	8,545.45	7,096.62
ii. Cash & Cash Equivalents	**6**	156.24	94.60
iii. Others	**7**	56.70	51.95
c. Other Current Assets	**8**	0.42	45.71
		10,407.88	**9,276.59**
TOTAL		**10,425.87**	**9,295.82**
II. EQUITY AND LIABILITIES			
Equity			
a. Equity Share Capital	**9**	1,978.68	1,978.68
b. Other equity	**10**	4,961.23	4,506.13
		6,939.91	**6,484.81**
Liabilities			
1. Non Current Liabilities			
a. Financial Liabilities			
i. Borrowings	**11**	48.00	4.90
		48.00	**4.90**
2. Current Liabilities			
a. Financial Liabilities			
i. Trade Payables	**12**	3,409.15	2,790.58
b. Other Current Liabilities	**13**	27.26	13.53
c. Provision	**14**	1.55	1.99
		3,437.97	2,806.11
		3,485.96	**2,811.01**
TOTAL		**10,425.87**	**9,295.82**
Significant Accounting Policies	**1**		
Notes are an integral part of the financial statements	**2-22**		

In terms of our report of even date.

For & on behalf of Board of Directors

For JMMK & Co.
Chartered Accountants
ICAI Firm Registeration No. : 120459W

Jitendra Doshi
Partner
Membership No. 151274
UDIN No.: 26151274DPANUK5949

Mumbai
MAY 30, 2026

PREMJIBHAI KANANI
Chairman
DIN: 01567443

HARSHIL KANANI
Managing Director
DIN : 01568262

Mumbai
MAY 30, 2026

MEHUL KUNDARIYA
Company Secretary
PAN NO.: *****9347M

DARSHAK PANDYA
Chief Finance Officer
PAN No.: *****9654F

❍ Consolidated Statement of Profit & Loss for the year ended 31st March, 2026

(₹ in Lakhs)

		Notes	As at 31.03.2026	As at 31.03.2025
	INCOME			
I.	Revenue from operations	**15**	17,379.35	16,847.13
II.	Other income	**16**	128.91	51.66
III.	**Total Revenue (I + II)**		**17,508.26**	**16,898.79**
IV.	**EXPENSES**			
	Purchases of traded goods	**17**	16,750.25	16,940.04
	Changes in inventories of finished goods, work–in–progress and Stock–in–Trade	**18**	298.18	(257.39)
	Employees benefit expenses	**19**	80.50	77.25
	Finance Cost	**20**	0.11	0.13
	Depreciation and amortization expense	**2**	1.50	2.06
	Other expenses	**21**	113.15	55.76
	TOTAL EXPENSES		**17,243.70**	**16,817.85**
V.	**Profit before exceptional and extraordinary items and tax (III –IV)**		**264.56**	**80.95**
VI.	**Exceptional Items**		–	–
VII.	**Profit before extraordinary items and tax –(V –VI)**		**264.56**	**80.95**
VIII.	**Extraodinary Items**		–	–
IX.	**Profit before tax (VII –VIII)**		**264.56**	**80.95**
X.	Tax Expense			
	(1) Current tax		(6.97)	(3.08)
XI.	**Profit for the period from continuing operations (IX –X)**		**257.59**	**77.87**
XII.	**Profit from Discontinued operations**		–	–
XIII.	**Tax Expense of Discontinued operations**		–	–
XIV.	**Profit from Discontinued operations (after tax) (XII –XIII)**		–	–
XV.	**Profit for the year (XI + XIV)**		**257.59**	**77.87**
XVI.	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss		–	–
	(ii) Income tax relating to items that will not be reclassified to profit or loss		–	–
	B (i) Items that will be reclassified to profit or loss		–	–
	(ii) Income tax relating to items that will be reclassified to profit or loss		–	–
XVII.	**Total Comprehensive income for the period (XV + XVI)**			
	(Comprising Profit and Other Comprehensive Income for the period)		**257.59**	**77.87**
XVIII.	**Earnings per equity share (for continuing operations):***			
	1. Basic		0.13	0.04
	2. Diluted		0.13	0.04
XIX.	**Earning per equity share (for discontinued operations):**			
	1. Basic		–	–
	2. Diluted		–	–
XX.	**Earnings per equity share (for discontinued & continuing operations):***			
	1. Basic		0.13	0.04
	2. Diluted		0.13	0.04
	* Weighted Average			
	Significant Accounting Policies	**1**		
	Notes are an integral part of the financial statements	**2-22**		

In terms of our report of even date.

For & on behalf of Board of Directors

For JMMK & Co.
Chartered Accountants
ICAI Firm Registeration No. : 120459W

Jitendra Doshi
Partner
Membership No. 151274
UDIN No.: 26151274DPANUK5949

Mumbai
MAY 30, 2026

PREMJIBHAI KANANI
Chairman
DIN: 01567443

HARSHIL KANANI
Managing Director
DIN : 01568262

Mumbai
MAY 30, 2026

MEHUL KUNDARIYA
Company Secretary
PAN NO.: *****9347M

DARSHAK PANDYA
Chief Finance Officer
PAN No.: *****9654F

❍ Consolidated Cash Flow Statement for the year ended 31st March, 2026

(₹ in Lakhs)

			As at 31.03.2026	As at 31.03.2025
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**			
	Net profit before tax and extra–ordinary items		264.56	80.95
	Adjustments for:			
	Depreciation		1.50	2.06
	Profit on sale of Fixed Assets		–	(2.05)
	Interest Income		–	(0.00)
	Foreign currency translation reserve		197.50	81.09
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES :		**463.57**	**162.04**
	Adjustments for:			
	(Increase)/Decrease in Trade receivables		(1,448.82)	440.48
	(Increase)/Decrease in Other Non–Current Asset		(0.26)	(0.08)
	(Increase)/Decrease in Loans and advances and other assets		40.53	(4.16)
	(Increase)/Decrease in Inventories		338.64	(267.23)
	(Decrease) in Trade payables, other liabilities and provisions		631.86	235.62
	CASH GENERATED USED IN OPERATIONS		**25.51**	**566.67**
	Income Tax(Net of Refunds)		(6.97)	(3.08)
	Net cash generated from operating activities	(A)	**18.54**	**563.60**
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**			
	Interest Income		–	0.00
	Sale of Fixed Assets		–	4.63
	Net cash used in investment activities	(B)	**–**	**4.63**
C.	**CASH FLOW FROM FINANCING ACTIVITIES :**			
	Proceeds/(Repayment) from Long–Term Borrowings (net)		43.10	(590.08)
	Net cash generated from/(Used in) financing activities	(C)	**43.10**	**(590.08)**
D.	**Net Increase/(Decrease) in cash and cash equivalents**	**(A+B+C)**	**61.64**	**(21.85)**
E.	**Cash & cash equivalents at the begining of the year**		94.60	116.45
F.	**Cash & cash equivalents at the end of the year**		156.24	94.60

Components of Cash and Cash equivalents

Particulars	**Year Ended 31-03-2026**	**Year Ended 31-03-2025**
Balance with Banks		
in Current Account	155.96	94.33
in Fixed Deposit (with original maturity period not more than 3 Months)	–	–
Cash on Hand	0.27	0.27
Total Cash and Cash Equivalents at the end of the year	**156.24**	**94.60**

This is the Cash Flow Statement referred to in our report of even date.

For JMMK & Co.
Chartered Accountants
ICAI Firm Registeration No. : 120459W

Jitendra Doshi
Partner
Membership No. 151274
UDIN No.: 26151274DPANUK5949

Mumbai
MAY 30, 2026

For & on behalf of Board of Directors

PREMJIBHAI KANANI
Chairman
DIN: 01567443

MEHUL KUNDARIYA
Company Secretary
PAN NO.: *****9347M

HARSHIL KANANI
Managing Director
DIN : 01568262

DARSHAK PANDYA
Chief Finance Officer
PAN No.: *****9654F

Mumbai
MAY 30, 2026

❍ NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2026

NOTE '1' : SIGNIFICANT ACCOUNTING POLICES

1.1. **Basis of preparation and presentation**

(i) The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (the 'Act') read with of the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other relevant provisions of the Act.

(ii) The Consolidated Financial statements have been prepared on the historical cost basis except certain Consolidated financial assets & liabilities which are measured at fair value wherever applicable:

(iii) All the assets and liabilites have been classified as current or non-current as per the company's normal operating cycle of twelve months and other criteria set out in Schedule III of the Companies Act, 2013.

(iv) All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

(v) The Consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the Consolidated financial statements. All assets and liabilities have been classified as current or non current as per the Group normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

(vi) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year. The financial statements of the Company and its subsidiaries have been combined on a lineby- line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intragroup balances, intra-group transactions and the unrealized profits/losses, unless cost/revenue cannot be recovered.

1.2. **Use of Estimates & Judgements**

The preparation of Consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

1.3. **Property, Plant and Equipment**

(i) Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset 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.

(ii) Capital work-in-progress includes expenditure during construcion period incurred on projects under implementation treated as pre-operative expenses pending allocation to the assets. These expenses are apportioned to the respective fixed assets on their completion/ commencement of commercial production.

(iii) Depreciation on property, plant and equipment is provided based on useful life of the assets prescribed in Schedule II to the Companies Act, 2013 on straight line method.

(iv) When an assets is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflcted in statement of Profit and Loss.

(v) The Residual Value, useful lives and methods of depreciation of property, plant and equipment are reviewed at the end of each financial year and ajusted prospectively, if appropriate.

Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

1.4. **Impairment of Non-financial Assets**

The Group assesses at each reporting date whether there is any objective evidence that a non-financial asset or a group of non-financial assets are impaired. If any such indications exists, the Group estimates the amount of impairment loss which may be caused to the company. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

1.5. **Investment property**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not used by the Group, is classified as investment property. Investment property is measured at its cost, including related transaction costs and, wherever applicable, borrowing costs less depreciation and impairment, if any.

1.6. **Cash & cash equivalents**

Cash and Cash equivalents include cash and Cheque in hand, bank balances and demand deposits with banks that are readily convertible to known amounts of cash & which are subject to an insignificant risk of changes in value where original maturity is three months or less.

1.7. **Inventory**

Inventories of Finished Goods and Stock-in-trade are stated 'at the lower of cost or net realisable value'. Raw Materials, Work-in-Progress and Goods-in-transit are stated 'at cost'. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formulae used are 'First-in-First-out'. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

Having regard to the nature & value of items of Stores & consumables, the same are treated as consumed in the year of their purchase.

1.8. **Financial Instruments**

(i) **Financial Assets**

Initial Recognition and Measurement

Financial assets are recognised when the group becomes party to the contractual provisions of the instruments. Financial assets, other than trade receivables, are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through statement of profit or loss. Financial assets carried at fair value through statement of profit or loss are initially recognised at fair value and transaction costs are expensed in the statement of Profit and Loss.

Subsequent measurement

Financial assets, other than equity instruments, are subsequently measured at amortised cost or fair value through other comprehensive income (OCI) or fair value through profit or loss on the basis of:

- the entity's business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial asset.

Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss (FVTPL)

Investment in financial asset other than equity instrument, not measured at either amortised cost or FVTOCI is measured at FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

Equity Instruments:

All investment in equity instrument classified under finanacial assets are subsequently measured at fair value. Equity instruments which are held for trading are measured at FVTPL.

For all other equity instruments, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Compnay makes such election on an instument-by-instrument basis.

Impairment of financial assets

In accordance with Ind AS 109, the company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial asets other than those measured at fair value through profit and loss (FVTPL)

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12 month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instruments).

(ii) **Financial liabilities**

<u>Initial recognition and measurement</u>

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

The Group's financial liabilities includes trade and other payables, loans and borrowings including bank overdrafts and derivative instruments.

<u>Subsequent measurement</u>

Financial liabilities measured at amortised cost are subsequently measured using Effective Interest Rate (EIR) method. Financial liabilities carried at fair value through profit or loss (FVTPL) are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

<u>Loans & Borrowings</u>

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using EIR method. Gains and losses are recognized in profit & loss when the liabilities are derecognized as well as through EIR amortization process.

<u>Financial Guarantee Contracts</u>

Financial guarantee contracts issued by the Group are those contracts that requires a payment to be made or to reimburse the holder for a loss it incurs because the specified debtors fails to make payment when due in accordance with the term of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequently the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative adjustments.

(iii) **Derivative financial instruments and Hedge Accounting**

The Group can use various derivative financial instruments such as interest rate swaps, currency swaps, forwards & options and commodity contracts to mitigate the risk of changes in interest rates, exchange rates and commodity prices. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability

For the purpose of hedge accounting, hedges are classified as:

<u>Cashflow hedge</u>

The group designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

Fair value hedge

The Group designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item is amortised to Statement of Profit and Loss over the period of maturity

(iv) **Derecognition of financial instruments**

The group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

1.9. **Leases**

Finance lease

Assets taken on lease by the Group in its capacity as lessee, where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalized at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognized for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Operating lease

Group as a lessee

Leases where significant portion of risk and reward of ownership are retained by the lessor are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight line basis over the lease period unless the payments are structured to increase in line with expected general inflation to compensate for the company's expected inflationary cost increases.

Group as a lessor

Leases in which the grouo does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in the property, plant and equipment. Lease income on an operating lease is recognized in the Statement of Profit and Loss on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss.

1.10. **Fair Value Measurement:**

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability
- The principal or the most advantageous market must be accessible by the group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.11. **Borrowing Cost**

Borrowing costs include interest expenses as per effective interest rate and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

1.12. **Provisions and Contingent liabilities and contingent assets**

Provisions represent liabilities for which the amount or timing is uncertain. Provisions are recognized when the group has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The group does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

1.13. **Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the group and the revenue can be measured reliably.

Sale of goods:

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to the buyer either at the time of dispatch or delivery or when the risk of loss transfers. Export sales are generally recognized based on the shipped on board date as per bill of lading, which is when substantial risks and rewards of ownership are passed to the customers.

Revenue from sale of goods is net of taxes and recovery of charges collected from customers like transport, packing etc. are not treated as part of sales. Sales returns are recognised when appropriate. Revenue is measured at the fair value of consideration received or receivable and is net of price discounts, allowance for volume rebates and similar items.

Claims/Refunds not ascertainable with reasonable certainty are accounted for on final settlement and are recognized as revenue on certainty of receipt on prudent basis.

Rendering of services:

Revenue from sale of services are recognized when the services are rendered.

Other Income

Dividend income on investments is recognised when the right to receive the dividend is established.

Interest income is recognized on a time proportionate basis taking into account the amounts invested and the rate of interest on prudent basis.

1.14. **EMPLOYEE BENEFITS**

Short term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post-employment benefits

Define contrubution Plans

A defined contribution plan is a post-employment benefit plan under which the Group pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined benefit Plans

The Group pays gratuity to the employees whoever has completed five years of service with the Group at the time of resignation/superannuation. The gratuity is paid @ 15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The management is considering options to value future liability on account of gratuity by a qualified actuarial valuer. On such valuation, the liability shall be recognised in the books of the Group. The management will then decide on contribution to be made to an appropriate authority to cover future gratuity liability that may arise.

Empolyee Separation Costs

Compensation to employees who opt for retirement under the voluntary retirement scheme, if any, of the Group is payable in the year of exercise of option by the employee. The Group recognises the employee separation cost when the scheme is announced and the Group is demonstrably comitted to it.

1.15. **Foreign exchange transactions and translation**

The financial statements are presented in Indian rupee (INR), which is Group's functional and presentation currency.

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

1.16. **TAXES ON INCOME**

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

- Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

- Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

Where there is unabsorbed depreciation and carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future.

1.17. **Government Grants**

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. When the grant relates to an asset, it is recognized as income over the expected useful life of the asset.

In case a non-monetary asset is given free of cost, it is recognised at a fair value. When loans or similar assistance are provided by government or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is recognized as government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received.

1.18. **Earning Per Share**

The basic earning per share (EPS) is computed by dividing the net profit after tax available to equity share holdong for the year by the weighted average number of equity shares outstanding during the current year.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless impact is anti-dilutive.

NOTE '2' : PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Lease Hold Land	Factory Building	Plant & Machinery	Generator	Office Equipment	Air Conditioner	Computer	Refrige-rator	Television (TV)	Weighing Scale	Motor Car	CCTV Camera	Total
Gross Carrying amount													
Deemed cost as at 1st April, 2024	**47.00**	**59.70**	**42.75**	**1.40**	**1.35**	**3.04**	**3.60**	**0.08**	**0.82**	**0.52**	**34.00**	**2.26**	**196.52**
Additions	–	–	–	–	–	–	–	–	–	–	–	–	–
Disposals	–	–	–	–	–	–	–	–	–	–	–	–	–
Reclassification as held for sale	–	–	–	–	–	–	–	–	–	–	–	–	–
Balance as at 31st March, 2025	**47.00**	**59.70**	**42.75**	**1.40**	**1.35**	**3.04**	**3.60**	**0.08**	**0.82**	**0.52**	**34.00**	**2.26**	**196.52**
Additions	–	–	–	–	–	–	–	–	–	–	–	–	–
Disposals	–	–	–	–	–	–	–	–	–	–	–	–	–
Reclassification as held for sale	–	–	–	–	–	–	–	–	–	–	–	–	–
Balance as at 31st March, 2026	**47.00**	**59.70**	**42.75**	**1.40**	**1.35**	**3.04**	**3.60**	**0.08**	**0.82**	**0.52**	**34.00**	**2.26**	**196.52**
Accumulated Depreciation													
Balance as at 1st April, 2024	**47.00**	**47.52**	**37.14**	**1.34**	**0.97**	**1.70**	**3.42**	**0.08**	**0.79**	**0.50**	**31.10**	**2.07**	**173.63**
Depreciation during the year	–	1.20	0.48	–	–	–	–	–	–	–	0.32	0.06	2.06
Disposals	–	–	–	–	–	–	–	–	–	–	2.58	–	2.58
Reclassification as held for sale	–	–	–	–	–	–	–	–	–	–	–	–	–
Balance as at 31st March, 2025	**47.00**	**48.72**	**37.62**	**1.34**	**0.97**	**1.70**	**3.42**	**0.08**	**0.79**	**0.50**	**34.00**	**2.14**	**178.27**
Additions	–	1.08	0.39	–	–	–	–	–	–	–	–	0.03	1.50
Disposals	–	–	–	–	–	–	–	–	–	–	–	–	–
Reclassification as held for sale	–	–	–	–	–	–	–	–	–	–	–	–	–
Balance as at 31st March, 2026	**47.00**	**49.80**	**38.01**	**1.34**	**0.97**	**1.70**	**3.42**	**0.08**	**0.79**	**0.50**	**34.00**	**2.17**	**179.77**
Retained Earning	–	–	–	–	0.36	1.34	0.16	–	–	–	–	–	1.86
Net Carrying Amount													
Balance as at 1st April, 2024	**0.00**	**12.18**	**5.61**	**0.06**	**0.02**	**–**	**0.02**	**0.00**	**0.03**	**0.02**	**2.90**	**0.19**	**21.03**
Balance as at 31st March, 2025	**0.00**	**10.98**	**5.13**	**0.06**	**0.02**	**–**	**0.02**	**0.00**	**0.03**	**0.02**	**0.00**	**0.12**	**16.39**
Balance as at 31st March, 2026	**0.00**	**9.90**	**4.74**	**0.06**	**0.02**	**–**	**0.02**	**0.00**	**0.03**	**0.02**	**0.00**	**0.09**	**14.88**

(₹ in Lakhs)

	As at 31.03.2026	**As at 31.03.2025**
NOTE '3' : OTHER NON-CURRENT ASSETS		
Advances recoverable in cash or in kind or for value to be received		
Security Deposits	3.23	2.97
Advance Tax (Net–off Provision)	(0.12)	(0.12)
	3.11	**2.85**
NOTE '4' : INVENTORIES		
(As taken, valued and certified by the Management)		
(Valued at lower of cost or net realisable value)		
Raw material		
Bullion	0.79	0.79
Traded Goods		
Diamonds & Diamonds Studded Jewellery	1,648.28	1,986.92
	1,649.07	**1,987.71**

(₹ in Lakhs)

	As at 31.03.2026	As at 31.03.2025
NOTE '5' : TRADE RECEIVABLES		
(Unsecured & considered good, subject to confirmation)		
Trade receivables	8,545.45	7,096.62
	8,545.45	**7,096.62**
Current Portion	–	–
Non Current Portion	–	–

Trade Receivable Aging Schedule As at 31st March 2026

Particulars	Less Than 6 Month	6 Month to 1 Year	1 to 2 Year	2 to 3 Year	More than 3 Year	Total
Undisputed Trade Receivable Considered Good	5,021.22	–	–	2,302.25	1,209.38	**8,532.85**
Undisputed Trade Receivable Considered Doubtful	–	–	–	–	12.60	**12.60**
Disputed Trade Receivable Considered Good	–	–	–	–	–	–
Disputed Trade Receivable Considered Doubtful	–	–	–	–	–	–
Total	**5,021.22**	**–**	**–**	**2,302.25**	**1,221.98**	**8,545.45**

Trade Receivable Aging Schedule As at 31st March 2025

Particulars	Less Than 6 Month	6 Month to 1 Year	1 to 2 Year	2 to 3 Year	More than 3 Year	Total
Undisputed Trade Receivable Considered Good	3,742.43	–	2,191.17	1,151.03	–	**7,084.63**
Undisputed Trade Receivable Considered Doubtful	–	–	–	–	11.99	**11.99**
Disputed Trade Receivable Considered Good	–	–	–	–	–	–
Disputed Trade Receivable Considered Doubtful	–	–	–	–	–	–
Total	**3,742.43**	**–**	**2,191.17**	**1,151.03**	**11.99**	**7,096.62**

(₹ in Lakhs)

	As at 31.03.2026	As at 31.03.2025
Break–up of security details		
Secured, considered good	–	–
Unsecured, considered good	8,532.85	7,084.63
Doubtful	12.60	11.99
	8,545.45	**7,096.62**
NOTE '6' : CURRENT FINANCIAL ASSETS – CASH AND CASH EQUIVALENTS		
Cash and Cash equivalents		
Balance with Bank in current accounts	155.96	94.33
Cash on hand	0.27	0.27
	156.24	**94.60**
NOTE '7' : CURRENT FINANACIAL ASSETS – OTHER		
Unsecured, Considered good		
Other		
GST	56.70	51.95
	56.70	**51.95**
NOTE '8' : OTHER CURRENT ASSETS		
Other		
Statutory Due Payables	0.42	0.22
Desposit– Beluga Properties Pvt. Ltd.	–	3.40
Bank of Baroda – Penal Interest	–	42.09
	0.42	**45.71**

(₹ in Lakhs)

	As at 31.03.2026	As at 31.03.2025
NOTE '9' : EQUITY SHARE CAPITAL		
Authorised		
20,00,00,000 (Previous Year : 20,00,00,000) Equity Shares of Re.1/- each.	**2,000.00**	**2,000.00**
Issued, Subscribed & Paid up		
19,78,68,000 (Previous year : 19,78,68,000) Equity Shares of Re.1/- each	**1,978.68**	**1,978.68**
	1,978.68	**1,978.68**

(a) Reconciliation of the Equity Shares outstanding at the beginning and at the end of the year :

Particulars	31st March, 2026		31st March, 2025	
	No.of Shares	₹ in Lakhs	No.of Shares	₹ in Lakhs
At the beginning of the year	**19,78,68,000**	**1978.68**	**19,78,68,000**	**1978.68**
Issued during the period Bonus Issue	–	–	–	–
Outstanding at the end of the year	**19,78,68,000**	**1978.68**	**19,78,68,000**	**1978.68**

(b) Equity Shareholder holding more than 5% equity shares along with number of equity shares is given below :

Name of the Shareholder	31st March, 2026		31st March, 2025	
	No.of Shares	%	No.of Shares	%
Premjibhai Devjibhai Kanani	1,60,12,260	8.09%	1,60,12,260	8.09%
Harshil Premjibhai Kanani	5,08,42,694	25.70%	5,08,42,694	25.70%
	6,68,54,954	**33.79%**	**6,68,54,954**	**33.79%**

c) Shares held by Promoters at the end of the year:

Name of the Promoters	No. of Shares			% of holding of equity shares	% of change during the year
	31-03-2026	Change	31-03-2025		
Harshil Premjibhai Kanani	5,08,42,694	–	5,08,42,694	25.70%	0.00%
Premjibhai Devjibhai Kanani	1,60,12,260	–	1,60,12,260	8.09%	0.00%
	6,68,54,954	**–**	**6,68,54,954**	**33.79%**	**0.00%**

(d) Shares held by Promoters at the end of the year:

Name of the Promoters	No. of Shares			% of holding of equity shares	% of change during the year
	31-03-2025	Change	31-03-2024		
Harshil Premjibhai Kanani	5,08,42,694	(4,63,37,002)	9,71,79,696	25.70%	-23.42%
Premjibhai Devjibhai Kanani	1,60,12,260	–	1,60,12,260	8.09%	0.00%
	6,68,54,954	**(4,63,37,002)**	**11,31,91,956**	**33.79%**	**-23.42%**

(e) Terms/rights attached to equity shares :

The company has only one class of equity shares having a par value of Re. 1/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTE '10' : OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserves and Surplus				
	General Reserve	Foreign Currency Translation Reserve	SEZ Re-Investment Reserve	Retained earnings	Total other equity
Balance as at April 01, 2024	**161.77**	**424.87**	**–**	**3,760.54**	**4,347.18**
Profit for the year	–	–	–	77.87	**77.87**
Other comprehesive income for the year, net of tax	–	–	–	–	**–**
Creation of General Reserve	–	–	–	–	**–**
Foreign Currency Translation Reserve	–	81.09	–	–	**81.09**
Capitalised by way of issue of fully paid up Bonus Shares	–	–	–	–	–
Balance as at March 31, 2025	**161.77**	**505.96**	**–**	**3,838.41**	**4,506.13**
Profit for the year	–	–	–	257.59	**257.59**
Other comprehesive income for the year, net of tax	–	–	–	–	**–**
Creation of General Reserve	–	–	–	–	**–**
Transferred from Profit & Loss Account	–	–	–	–	**–**
Foreign Currency Translation Reserve	–	197.50	–	–	**197.50**
Capitalised by way of issue of fully paid up Bonus Shares	–	–	–	–	–
Balance as at March 31, 2026	**161.77**	**703.46**	**–**	**4,096.00**	**4,961.23**

(₹ in Lakhs)

	As at 31.03.2026	As at 31.03.2025
NOTE '11' : BORROWINGS		
Unsecured		
From related party		
Shri Premjibhai Kanani	48.00	4.90
	48.00	**4.90**
NOTE '12' : TRADE PAYABLES		
Micro, Small and Medium enterprises	–	–
Other	3,409.15	2,790.58
	3,409.15	**2,790.58**

Trade payable Aging Schedule As at 31st March 2026

Particulars	Less than 1 Year	1 to 2 Year	2 to 3 Year	Mote than 3 Year	Total
MSME	–	–	–	–	–
Others	2,259.96	150.85	504.44	493.90	**3,409.15**
Disputed Dues - MSME	–	–	–	–	–
Disputed Dues - Others	–	–	–	–	–
Total	**2,259.96**	**150.85**	**504.44**	**493.90**	**3,409.15**

Trade payable Aging Schedule As at 31st March 2025

Particulars	Less than 1 Year	1 to 2 Year	2 to 3 Year	Mote than 3 Year	Total
MSME	–	–	–	–	–
Others	1,704.39	122.75	738.78	224.66	**2,790.58**
Disputed Dues - MSME	–	–	–	–	–
Disputed Dues - Others	–	–	–	–	–
Total	**1,704.39**	**122.75**	**738.78**	**224.66**	**2,790.58**

(₹ in Lakhs)

	As at 31.03.2026	As at 31.03.2025
NOTE '13' : OTHER CURRENT LIABILITIES		
Other payables		
Statutory dues payable	5.36	1.72
Emplyoee related liabilities	16.50	6.50
Other Liabilities	5.40	5.31
	27.26	**13.53**
NOTE '14' : PROVISION		
a) Others		
Provision for Income tax	1.55	1.99
	1.55	**1.99**
NOTE '15' : REVENUE FROM OPERATIONS		
Sale of products		
Lab Grown Polished Diamonds	262.73	–
Lab Grown Rough Diamonds	757.73	–
Traded Goods	16,358.89	16,847.13
	17,379.35	**16,847.13**
NOTE '16' : OTHER INCOME		
Gain/ (loss) in exchange rate fluctuation	128.91	45.81
Supply Labour Charges	–	3.80
Profit on Sale Fixed Assets	–	2.05
	128.91	**51.66**
NOTE '17' : PURCHASES OF TRADED GOODS		
Traded Goods	16,750.25	16,940.04
	16,750.25	**16,940.04**
NOTE '18' : CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK–IN–TRADE		
Opening Stock	–	–
Traded Goods	(1,946.46)	(1,729.53)
	(1,946.46)	**(1,729.53)**
Closing Stock		
Traded Goods	(1,648.28)	(1,986.92)
	(1,648.28)	**(1,986.92)**
	298.18	**(257.39)**
NOTE '19' : EMPLOYEES BENEFIT EXPENSES		
Salary,Wages and Bonus	56.60	56.37
Staff Welfare	1.89	–
Director Quarter Expenses	22.02	20.89
	80.50	**77.25**
NOTE '20' : FINANCE COSTS		
Net Interest	0.11	0.13
	0.11	**0.13**

(₹ in Lakhs)

	As at 31.03.2026	As at 31.03.2025
NOTE '21' : OTHER EXPENSES		
Power & Fuel	0.12	–
Audit fees	2.46	2.41
Tax Audit fees	0.25	0.25
Rates & Taxes	9.28	7.63
Travelling Expenses	2.14	2.23
Legal & Professional Fee	21.82	11.30
Bank Charges	1.94	1.70
Miscellaneous Expenses	75.13	30.25
	113.15	**55.76**
NOTE '22' NOTES TO ACCOUNTS		
22.1 AUDITORS' REMUNERATION		
Audit Fee	2.46	2.41
	2.46	**2.41**
22.2 EARNINGS PER SHARE (EPS)		
Net Profit after tax as per statement of Profit and Loss attributable to equity shareholders	257.59	77.87
Weighted average number of equity shares outstanding	19,78,68,000	19,78,68,000
Face Value per equity share (Rs.)	1.00	1.00
Basic Earnings Per Share (Rs.)	0.13	0.04
Diluted Earinings per Share (Rs.)	0.13	0.04

22.3 CONTINGENT LIABILITY

(i) The assessee has preferred an appeal before the Commissioner of Income Tax (Appeals) against an order passed by Deputy Commissioner of Income Tax for the Assessment Years 2012-13, 2020-21 & 2005-06 raising a demand of Rs. 46,178/-, Rs. 2,663/- & 5,00,062/- respectively.

22.4 In the opinion of the management and to the best of their knowledge, the current assets, loans & advances are approximately of the value stated, if realised in the ordinary course of business, unless otherwise stated.

22.5 The Company is trying to ascertain the enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act). Based on the details regarding the status of the suppliers, to the extent obtained, no supplier is covered under the Act.

22.6 The Company has not provided for its gratuity liability for the current year in absence of actuarial valuation. The management has initited efforts to appoint a certified actuarial valuer to estimate the future estimated liability on account of gratuity that may be payable by the Company.

22.7 RELATED PARTIES DISCLOSURES

a) Names of related parties and nature of relationship where control exists :

<u>Wholly Owned Subsidiary Company</u>

KIL International Limited

<u>Key Management Personnel</u>

Harshil P. Kanani

Premji D. Kanani

<u>Enterprises where key management personnel have control</u>

Kanani Polyfab Pvt. Ltd.

M/s. Star Diam

(₹ in Lakhs)

	As at 31.03.2026	As at 31.03.2025
b) Transactions with related parties		
Loan from Director	50.70	28.55
Loan repayment to Director	7.61	618.63
Payment to Key Managerial personnel/Relative	17.20	17.20
c) Balances at the year end		
Remuneration to Director Payable	15.00	5.00
Investment in Subsidiary	2,133.59	2,133.59
Loan from Director	48.00	4.90
d) Disclosure in Respect of Major Related Party Transactions during the year		
Payment to Key Managerial Personnel/Relative		
Premjibhai D. Kanani	4.99	4.99
Harshil P. Kanani	5.01	5.01
Darshak A. Pandya	4.80	4.80
Mehul S. Kundariya	2.40	2.40

22.8 The company has only one reportable segment I.e. Studded Jewellery, therefore no separate information is being given under Accounting Standard - AS 17 “Segment Reporting”.

22.9 Forward contracts entered into by the company and outstanding as on 31st March, 2026 :

NIL

Forward contracts entered into by the company and outstanding as on 31st March, 2025 :

NIL

22.10 Other Statutory Information

(i) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Parent do not had any transaction for the year ended 31 March 2026 and 31st March 2025 with the companies which are struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956. The Subsidiary has not entered into any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the the Companies Act, 1956, hence, no further disclosure is required. However, the subsidiary of the company “Yral Marketing Private Limited” was struck off during the year on Jan. 16, 2023 on the application of the company filed on 13-07-2022.

(iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

(iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial period.

(v) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. 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

b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries,

(vi) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

a. 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

b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vii) The Group have no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961),

(viii) Compliance with regards to the number of layers prescribed under clause (87) of section 2 of the Companies Act 2013 read with Companies (Restrictions on number of Layers) Rules, 2017 is not applicable to the Group,

22.11 FAIR VALUATION MEASUREMENT HIERARCHY (₹ in Lakhs)

Particulars	As at 31st March, 2026			As at 31st March, 2025		
	Carrying amount	Level of Input used in		Carrying amount	Level of Input used in	
		Level 1	Level 2		Level 1	Level 2
Financial Assets						
At Amortised cost						
Trade Receivable	8,545.45			7,096.62		
Cash & Bank Balance	156.24			94.60		
Financial Liabilities						
At Amortised cost						
Borrowing	48.00			4.90		
Trade Payable	3,409.15			2,790.58		
Other Financial Liabilities	27.26			13.53		

The financial instruments are categorized into two levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities; and

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly.

Liquidity Risk

Liquidity risk is the risk that suitable sources of funding for the company's business activities may not be available. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due, so that the company is not forced to obtain funds at higher rates. The Company monitors rolling forecasts of the Company's cash flow position and ensure that the Company is able to meet its financial obligation at all times including contingencies.

Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due causing financial loss to the company. It arises from cash and cash equivalents, financial instruments and principally from credit exposures to customers relating to outstanding receivables. The Company deals with highly rated counter parties.

Foreign currency risk:

The company is exposed to foreign exchange risk arising through its sales and purchases denominated in foreign currencies. The risk management strategy on foreign currency exchange fluctuation arising on account of purchase/sale of diamond is covered in Note 17.Foreign currency sensitivity analysis:The Company is exposed to HKD currency. The Company's sensitivity to a 1% increase and decrease in 'Rs against the relevant foreign currency is presented below:The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1% change in foreign currency rates. There is a increase in profit by ¹ 83 lakhs where ¹ strengthens by 1% against the relevant currency.

22.12 Figures for the previous year have been regrouped/reclassified wherever necessary to conform to current period's classification.

In terms of our report of even date.

For JMMK & Co.
Chartered Accountants
ICAI Firm Registeration No. : 120459W

Jitendra Doshi
Partner
Membership No. 151274
UDIN No.: 26151274DPANUK5949

Mumbai
MAY 30, 2026

For & on behalf of Board of Directors

PREMJIBHAI KANANI
Chairman
DIN: 01567443

HARSHIL KANANI
Managing Director
DIN : 01568262

MEHUL KUNDARIYA
Company Secretary
PAN NO.: *****9347M

DARSHAK PANDYA
Chief Finance Officer
PAN No.: *****9654F

Mumbai
MAY 30, 2026

If undelivered, please return to :

KANANI INDUSTRIES LIMITED

REGD. OFFICE: DC - 6112 - 6113, BHARAT DIAMOND BOURSE, G-BLOCK, BANDRA KURLA COMPLEX, BANDRA (EAST), MUMBAI 400051