

Registered Office :
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Mithakhali Six Roads,
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KANEL INDUSTRIES LTD.

Statement of Standalone Unaudited Results for the 2nd Quarter Ended on 30/09/2014

(Rs. in Lakhs)

| Sr.No | Particulars. | For the Quarter | Previous Quarter | Corresponding Quarter | Year to date | Year to date | Previous |
|----------|---|------------------------|------------------------|-----------------------|---------------------------|---------------------------|--------------------------|
| | | Ended on 30/09/2014 | Ended on 30/06/2014 | ended 30/09/2013 | cummulative 30/09/2014 | cummulative 30/09/2013 | Year Ended 31/03/2014 |
| | (Refer Notes Below) | Unaudited | Unaudited | Audited | Unaudited | Audited | Audited |
| 1 | Income from operations | | | | | | |
| | (a) Net sales/income from operations (Net of excise duty) | 60.20 | 120.76 | 0.00 | 180.96 | 0.00 | 862.16 |
| | (b) Other operating income | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Total income from operations(net) | 60.20 | 120.76 | 0.00 | 180.96 | 0.00 | 862.16 |
| 2 | Expenses | | | | | | |
| | (a) Cost of materials consumed | 57.30 | 24.82 | 0.00 | 82.12 | 0.00 | 0.00 |
| | (b) Purchase of stock-in-trade | 0.00 | 95.26 | 0.00 | 95.26 | 0.00 | 861.06 |
| | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 1.19 | -1.19 | 0.00 | 0.00 | 0.00 | 0.00 |
| | (d) Employee benefits expense | 0.57 | 0.56 | 0.53 | 1.13 | 1.04 | 2.27 |
| | (e) Depreciation and amortisation expense | 2.06 | 2.04 | 2.30 | 4.10 | 4.57 | 9.12 |
| | (f) Other expense (Any item exceeding 10% of the total expense relating to continuing operations to be shown separately) | 1.02 | 3.27 | 0.46 | 4.29 | 0.77 | 2.54 |
| | (g) Legal & Professional fees | 0.50 | 0.64 | 0.84 | 1.14 | 1.14 | 3.46 |
| | (h) Misc. Exp. | 0.56 | 2.33 | 0.42 | 2.89 | 1.93 | 3.19 |
| | (i) Rate, Taxes & Others | 2.00 | 0.00 | 0.00 | 2.00 | 0.00 | 1.94 |
| | (j) Postage, Stationery, Printing & Telephone | 0.79 | 0.00 | 1.62 | 0.79 | 1.64 | 1.82 |
| | (k) Loss on Future Options | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | (l) Travelling & Conveyance | 0.00 | 0.00 | 0.62 | 0.00 | 0.82 | 1.42 |
| | Total expense | 65.99 | 127.73 | 6.79 | 193.72 | 11.91 | 886.82 |
| 3 | Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2) | -5.79 | -6.97 | -6.79 | -12.76 | -11.91 | -24.66 |
| 4 | Other income | 0.21 | 0.34 | 0.08 | 0.55 | 2.62 | 2.90 |
| 5 | Profit/(Loss) from ordinary activities before finance costs and exceptional items (3 + (or-) 4) | -5.58 | -6.63 | -6.71 | -12.21 | -9.29 | -21.76 |
| 6 | Finance costs | 0.00 | 0.01 | 0.03 | 0.01 | 0.05 | 0.05 |
| 7 | Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5 + (or-) 6) | -5.58 | -6.64 | -6.74 | -12.22 | -9.34 | -21.81 |
| 8 | Exceptional items | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 9 | Profit/(Loss) from ordinary activities before tax (7 + (or-) 8) | -5.58 | -6.64 | -6.74 | -12.22 | -9.34 | -21.81 |

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| Sr.No | Particulars. | For the Quarter | Previous Quarter | Corresponding Quarter | Year to date | Year to date | Previous |
|-------|---|-----------------|------------------|-----------------------|--------------|--------------|------------|
| | | Ended on | Ended on | ended | cummulative | cummulative | Year Ended |
| | | 30/09/2014 | 30/06/2014 | 30/09/2013 | 30/09/2014 | 30/09/2013 | 31/03/2014 |
| | (Refer Notes Below) | Unaudited | Unaudited | Audited | Unaudited | Audited | Audited |
| 10 | Tax expense | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 11 | Net profit/(Loss) from ordinary activities after tax (9 +(or-)10) | -5.58 | -6.64 | -6.74 | -12.22 | -9.34 | -21.81 |
| 12 | Extraordinary items (net of tax expense Rs. Lakhs) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 13 | Net Profit/(Loss) for the period (11 +(or-)12) | -5.58 | -6.64 | -6.74 | -12.22 | -9.34 | -21.81 |
| 14 | Share of profit/(loss) of associates* | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 15 | Minority interest* | | | | | | |
| 16 | Net Profit/(Loss) after taxes, minority interest and share of profit/(loss) of associates (13 +(or-)14 +(or-)15)* | -5.58 | -6.64 | -6.74 | -12.22 | -9.34 | -21.81 |
| 17 | Paid up equity share capital (Face Value of the Share shall be indicated) | 1841.24 | 1841.24 | 1841.24 | 1841.24 | 1841.24 | 1841.24 |
| 18 | Reserve excluding Revaluation Reserve as per balance sheet of previous accounting year | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 19.i | Earnings per share(before and after extraordinary items) (of Rs. /- each) (not annualised) | | | | | | |
| | (a) Basic | 0.00 | 0.00 | 0.00 | -0.01 | -0.01 | -0.01 |
| | (b) Diluted | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

*Applicable in the case of consolidated results.

Notes :

1. The above results have been reviewed by Audit Committee and thereafter approved and taken on record by the Board in its meeting held on 18th October, 2014
2. Previous years/ Quarters figures have been regrouped / rearranged wherever necessary.
3. The company operates in one segment, hence no separate segment reporting is given.

Date : 18th October, 2014
 Place : Ahmedabad

By order of Board of Director
 KANEL INDUSTRIES LIMITED.


 Managing Director

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KANEL INDUSTRIES LTD.

PART II

| Information for the Quarter Ended 30/09/2014 | | | | | | | |
|--|--|---------------------------------------|--|--|--|--|--------------------------------------|
| Sr No | Particulars | For the Qtr Ended on 30/09/2014 | Previous Qtr Ended on 30/06/2014 | Corresponding Quarter ended 30/09/2013 | Year to date cumulative 30/09/2014 | Year to date cumulative 30/09/2013 | Previous Year Ended 31/03/2014 |
| A | PARTICULAR OF SHAREHOLDING | | | | | | |
| 1 | Public shareholding | | | | | | |
| | - Number of shares | 14465095 | 14501182 | 14321827 | 14465095 | 14321827 | 14289796 |
| | - Percentage of shareholding | 78.56% | 78.76% | 77.78% | 78.56% | 77.78% | 77.61% |
| 2 | Promoter and Promoter Group Shareholding | | | | | | |
| | (a) Pledged / Encumbered | | | | | | |
| | - Number of shares | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | - Percentage of shares (as a % of the total shareholding of the promoter and promoter group) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | - Percentage of shares (as a % of the total share capital of the company) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | (b) Non Encumbered | | | | | | |
| | - Number of shares | 3,947,345 | 3,911,258 | 4,090,613 | 3,947,345 | 4,090,613 | 4,122,644 |
| | - Percentage of shares (as a % of the total shareholding of the promoter and promoter group) | 100 | 100 | 100 | 100 | 100 | 100 |
| | - Percentage of shares (as a % of the total share capital of the company) | 21.44% | 21.24% | 22.22% | 21.44% | 22.22% | 22.39% |
| | Particulars - | 3 months ended 30/09/2014 | | | | | |
| B | INVESTOR COMPLAINTS | | | | | | |
| | Pending at the beginning of the quarter | 4 | 3 | 0 | 4 | 0 | 0 |
| | Received during the quarter | 3 | 6 | 2 | 3 | 2 | 4 |
| | Disposed of during the quarter | 2 | 5 | 2 | 2 | 2 | 1 |
| | Remaining unresolved at the end of the qtr | 5 | 4 | 0 | 5 | 0 | 3 |

Date : 18th October, 2014
 Place : Ahmedabad

By order of Board of Director
 Kanel Industries Limited.


 Managing Director

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KANEL INDUSTRIES LTD.

ANNEXURE II OF CLAUSE 41

Clause 41 of the Listing Agreement for Standalone / Consolidated Statement of Assets and Liabilities.

| Particulars | As at (half year ended 30/09/2014) | As at (previous year ended 31/03/2014) |
|--|--|---|
| A EQUITY AND LIABILITIES | | |
| 1 Shareholder's funds | | |
| (a) Share Capital | 184124400.00 | 184124400.00 |
| (b) Reserves and Surplus | -225496097.00 | -224274130.00 |
| Sub total -Shareholders' funds | -41371697.00 | -40149730.00 |
| 2 Share application money pending allotment | 0.00 | 0.00 |
| 3 Minority interest* | 0.00 | 0.00 |
| 4 Non-current liabilities | | |
| (a) Long-term borrowings | 50000000.00 | 50000000.00 |
| (b) Defferd tax liabilities (net) | 0.00 | 0.00 |
| © Other long-term liabilities | 0.00 | 0.00 |
| (d) Long-term provisions | 0.00 | 0.00 |
| Sub total -Non current liabilities | 50000000.00 | 50000000.00 |
| 5 Current liabilities | | |
| (a) Short-term borrowings | 28868253.00 | 30445353.00 |
| (b) Trade payables | 10422260.00 | 99646049.00 |
| © Other current liabilities | 3434579.00 | 1262294.00 |
| (d) Short-term provisions | 11782993.00 | 11769220.00 |
| Sub total -Current liabilities | 54508085.00 | 143122916.00 |
| TOTAL EQUITY AND LIABILITIES | 63136388.00 | 152973186.00 |

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KANEL INDUSTRIES LTD.

| Particulars | As at (half year ended 30/09/2014) | As at (previous year ended 31/03/2014) |
|--|-------------------------------------|--|
| B ASSETS | | |
| 1 Non current assets | | |
| (a) Fixed assets | 11483826.00 | 11865525.00 |
| (b) Goodwill on consolidation* | 0.00 | 0.00 |
| (c) Non current investments | 5000.00 | 20000.00 |
| (d) Deferred tax assets (net) | 0.00 | 0.00 |
| (e) Long term loans and advances | 3216023.00 | 3216023.00 |
| (f) Other non current assets | 0.00 | 0.00 |
| Sub total Non current assets | 14704849.00 | 15101548.00 |
| 2 Current assets | | |
| (a) Current investments | 0.00 | 0.00 |
| (b) Inventories | 506181.00 | 0.00 |
| (c) Trade receivables | 38719628.00 | 128560693.00 |
| (d) Cash and cash equivalents | 9166529.00 | 9271744.00 |
| (e) Short term loans and advances | 39201.00 | 39201.00 |
| (f) Other current assets | 0.00 | 0.00 |
| Sub total Current assets | 48431539.00 | 137871638.00 |
| TOTAL ASSETS | | |
| | 63136388.00 | 152973186.00 |
| *Applicable in the case of consolidated statement of assets and liabilities. | | |