

KANKNARRAH COMPANY LIMITED



ANNUAL REPORT

2025 - 2026

DIRECTORS

BHAG CHAND JAIN - Chairman-cum-Mg. Director
GIRIRAJ DAGA
MUKUL JAIN
SHREYA GANGAWAT

BANKERS

ICICI BANK LTD
PUNJAB NATIONAL BANK
STATE BANK OF INDIA

AUDITORS

M/S. RANJIT JAIN & CO. Chartered Accountants

REGISTERED OFFICE

29/1, STEPHEN HOUSE,
2ND FLOOR
4, B.B.D. BAG (EAST)
KOLKATA - 700 001
Phone: (033) 4602 1050/1051
Fax: (033) 2248 9063
E-mail: kankjute@rediffmail.com
Website: www.kankjute.in
CIN : L65110WB1900PLC000461

MILL

KANKINARA COMPANY LIMITED
DIST. 24 PARGANAS (NORTH)
WEST BENGAL – 743 126

KANKNARRAH COMPANY LIMITED.

NOTICE TO THE MEMBERS

Notice is hereby given that the 217th Annual General Meeting of the members of M/s Kanknarrah Company Limited will be held at Subarna Banik Samaj Hall, 47, Ganesh Chandra Avenue, Kolkata- 700 013 on Wednesday the 23rd September, 2026 at 12.00 Noon to transact the following business:

1. To receive , consider and adopt the Audited Financial Statements of the company for the financial year ended on 31st march,2026 including the audited Balance Sheet as on 31st March, 2026 and the statement of Profit and Loss accounts for the year ended on that date and the Reports of Board of Directors and Auditors thereon.
2. To appoint Mr. Giriraj Daga (DIN: 05326118), Director, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Ranjit Jain & Co., Chartered Accountants as Statutory Auditors and in this connection to consider and if thought fit to pass with or without modification(s) the following resolution as Ordinary Resolution:

"RESOLVED that pursuant to section 139 of the Companies Act, 2013 M/s. Ranjit Jain & Co. Chartered Accountants (Firm Registration No. 322505E) be and are hereby appointed as the statutory auditors of the company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting to be held in the year 2027 at a remuneration to be decided by the Board of Directors in due course."

Special Business:

4. To consider and if thought fit, to pass with or without modification(s) the following resolutions as Special Resolutions:

"RESOLVED that pursuant to the provisions of section 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personal) Rules 2014 read with Schedule V of the Companies Act,2013(including the statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the company and subject to such approval, as may be necessary, consent of the members of the company be and is hereby accorded to the appointment of Mr. Bhag Chand Jain (DIN: 00337816) as Chairman cum Managing Director of the company for a period of three years with effect from 1st June, 2026 to 31st May, 2029 at monthly remuneration of Rs.320,000/- (three lakhs twenty Thousand only) and the terms and conditions including perquisites as stated in the Explanatory Statement as enclosed with the notice.

RESOLVED FURTHER that in the event of loss or inadequacy of profits in any financial year(s), the company will pay remuneration by way of salary including perquisites and allowances as specified under section II of part II of Schedule V of the Companies Act, 2013 or in accordance with statutory modification(s) thereof.

RESOLVED FURTHER That the Board of Directors be and is hereby authorised to alter and vary the terms and conditions of the appointment not exceeding the limits specified under section 197 read with Schedule V of the Companies Act, 2013(including any statutory modification(s) or enactment thereof for the time being in force.)

RESOLVED FURTHER That the Board of Directors of the company be and is hereby authorised to do all such acts, deed, and matters and things as in its absolute discretion it may consider necessary, expedient and desirable to give effect of the resolution."

5. To consider and if thought fit, to pass with or without modification(s) the following resolutions as Special Resolutions:

"RESOLVED that pursuant to the provisions of section 180(1) and other applicable provisions, if any of the Companies Act, 2013 including any statutory modifications or any amendments or any substitution or enactment thereof, if any, for the time being in force and all other applicable Acts, rules, regulations and guidelines for the time being in force, consent of the company be and is hereby accorded to the Board of Directors of the company for borrowing from time to time as they may think fit, any sum or sums of money not exceeding Rs.100,0000000/- (One hundred crore) including any money already borrowed by the company on such terms and conditions as the Board may deem fit, whether the same may be secured or unsecured, whether by way of mortgage, charge or hypothecation , pledge or otherwise in any way what so ever, on ,over in any way whatsoever, on , over or in any respect of all or any of the company's assets and effects or properties whether movable or immovable, including, including stock in trade, notwithstanding that the money to be borrowed together with the money already borrowed by the company (apart from the temporary loans obtained from the company's Bankers in the ordinary course of business) and remaining undischarged at any given time , exceed the aggregate, for the time being, of the paid up capital of the company and its free reserves.

RESOLVED FURTHER that for the purpose of giving effect to the above resolution, the Board of Directors of the company be and is hereby authorised to take all such actions and to give all such directions and to do all such actions and to give all such directions and to do all such acts, deeds, matters, and things as may be necessary and /or expedient in that behalf."

Registered Office:
29/1, Stephen House,
2nd Floor, 4 B. B. D. Bagh (East)
Kolkata-700001

For and on behalf of the Board

Dated: 29th May, 2026

Bhag Chand Jain (DIN: 00337816)
Chairman-cum-Managing Director

NOTES:

- I. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and the proxy need not to be a member of the Company. Proxies in order to be effective must be received by the Company at the Registered Office not less than 48 hours before the meeting. Proxy Form in MGT-11 is enclosed.
- II. The Register of the Members and Share Transfer Books of the Company will remain closed from 14th September, 2026 to 23rd September, 2026 (both days inclusive).
- III. A member desirous of obtaining queries on account in the meeting are requested to inform the Company at least seven days before the date of holding the meeting.
- IV. The practice of distributing copies of the Annual Report at the Annual General Meeting has been discontinued in view of the high cost of papers and printing. Shareholders are requested to bring their copies of the Annual Report with them to the meeting.

Please note that the printed copy of Annual Reports for the financial year ended on 31st March, 2026 is being mailed and the copy will be available in company's WEB SITE: <https://www.kanknarrahcompany.com>

Explanatory Statement pursuant to section 102 of the Companies Act, 2013.

Item No. 4

The present tenure of office of Shri Bhag Chand Jain Chairman Cum- Managing Director (DIN: 00337816) has concluded on 30th May, 2026. For the interest of the company the Board of Directors reappointed Shri Bhag Chand Jain for a further period of 3 (three) years with effect from 1st June, 2026 with monthly salary of Rs. 3,20,000.00 subject to approval of the members in the ensuing Annual General Meeting to be held on 23rd September, 2026. The terms and conditions are stated as under:

- **Salary:** Salary Rs. 3,20,000.00 (Rupees Three lakh twenty thousand only) with effect from 01.06.2026.
- **Overall Remuneration:** The aggregate of salary and perquisites in any financial year(s) shall not exceed the limit prescribed or to be prescribed from time to time under section 197 read with Schedule V of the Companies Act, 2013.

Other terms and conditions:

- As long as Shri Bhag Chand Jain acts as a chairman cum managing Director, no sitting fee shall be paid to him for attending the meeting of the Board of Directors of the company or committee thereof.
- Either party shall be entitled to terminate the appointment at any time by giving to the other party 180 days' notice in writing in that behalf or 6 months' salary in lieu thereof.
- Shri Bhag Chand Jain shall not become interested or otherwise concerned directly or indirectly in any contract except with the consent of the Board of Directors of the company.
- The Board shall have the liberty to verify the terms and conditions of the said appointment so as not to exceed the limits specified in Schedule V of the Act including statutory modification(s) or enactment thereof, for the time being in force or any amendments and/or modifications that may be made thereof or so may be agreed to between the Board of Directors and Shri Bhag Chand Jain
- The proposed appointment of Shri Bhag Chand Jain as the Chairman Cum Managing Director of the company and the payment of remuneration to him in the manner indicated above are subject to the necessary approvals of the members of the company in the Annual General Meeting and/or Central Government, if necessary, as required in the relevant provisions of the Act. The Special Resolution set out in the convening notice indicated to obtain the approval of the company in the Annual General Meeting and the Board recommends the acceptance of the resolutions.
- The above terms and conditions shall be treated as the memorandum of interest of Shri Bhag Chand Jain pursuant to section 190 of the Companies Act, 2013.

Item No.5

Secured loans of the company from ICICI bank together with the loans from other banks has exceeded the permitted limit of 75 crores. The company will require further loans for working capital purpose. The Audit committee and the Board of Directors therefore recommended to enhance the existing limit of borrowing power with the consent of members in the General meeting.

No director of the company is interested or concerned in the proposed resolution.

Registered Office:

29/1, Stephen House,
2nd Floor, 4 B. B. D. Bagh (East)
Kolkata-700001

For and on behalf of the Board

Dated: 14th August, 2026

Bhag Chand Jain (DIN: 00337816)
Chairman-cum-Managing Director

KANKNARRAH COMPANY LIMITED

DIRECTORS' REPORT

Your Director's present their Report together with the Audited Financial Statements of your Company for the financial year ended as on 31st March, 2026.

Corporate Results	Year ended as on 31 st March, 2026 (Rs Lakhs)	Year ended as on 31 st March, 2025 (Rs. Lakhs)
Profit for the year before Interest and Depreciation	1306.13	1051.22
From which deduction have been made:		
Interest	503.91	498.80
Depreciation	305.83	282.57
Net Profit/Loss	379.07	(16.46)
Leaving a profit of which is adjusted to Profit & Loss Account, showing accumulated loss carried forward	151.60	(227.48)

Operations and General Review:

Total turnover of the Company for the year under review was **Rs. 28467.64** Lakhs as against of **Rs. 22848.47** Lakhs during the previous year ended on 31st March, 2025. The Company earned a profit of **Rs. 496.39** Lakhs (before tax) as against a profit of **Rs 269.85** Lakhs (before tax) during the previous financial year ended on 31st March, 2025.

1. **Brief description of the Company's working during the year**

The Company is engaged in manufacturing and selling of Jute Products namely Hessian and Sacking. The management took necessary initiatives to diversify/upgrade its products in other Jute and allied areas as per market condition.

2. **Dividend**

Considering the unadjusted accumulated losses of the previous years and for working capital requirements the Board of Directors did not recommend any dividend for the year under review 2025-2026.

3. **Directors and Key Managerial personnels**

Mr. Giriraj Daga (DIN: 05326118) is liable to retire by rotation and being eligible offered himself for reappointment. The Board recommended re-appointment of the above Director in the ensuing Annual General Meeting.

Mr. Jugal Kishore Bagri is holding the office as the Chief Financial Officer of the company from 10.06.2022.

Mr. Bhag Chand Jain (DIN: 00337816) who was appointed as the Chairman-cum-Managing Director of the company for a period of 3 years with effect from 01.06.2023 had concluded his last tenure of office on 31st May, 2026. On the recommendation of Audit Committee and Remuneration and Nomination Committee the Board of Directors in its meeting held on 13th May, 2026 re-appointed Mr. Bhag Chand Jain as chairman Cum- managing Director for a further period of three years with effect from 1st June 2026, subject to subsequent approval of members in the 217th Annual General Meeting to be held in the year 2026. Mr. Bhag Chand Jain will hold the office Key managerial Personal of the company pursuant to section 203 of the Companies Act, 2013.

4. **Committees**

The company constituted Audit Committee, Nomination and Remuneration Committee pursuant to the provision of section 177 and section 178 of the Companies Act, 2013.

5. **Board Meetings and Annual General Meeting**
During the financial year ended 31st March, 2026 (5) five Meetings of the Board of Directors were held on 13.05.2025, 06.08.2025, 04.09.2025, 20.11.2025 and on 14.02.2026. Annual General Meeting for the year 2025 was held on 26.09.2025. No Extra Ordinary General Meeting was held during the financial year 2025-2026.
6. **Corporate Governance**
A Report on Corporate Governance along with a Certificate from the Statutory Auditors of the company regarding compliance with the conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement from part in this Annual Report.
7. **Material changes and Commitments**
The demand of Jute Products and bags depends upon the order of the Government. During the year under review the performance of Company was marginally improved although due to shortage of raw jute and other related conditions, the mill of the company was closed from 26th December, 2025 to 30th June, 2026.
8. **Loans and Investments**
The Company has taken Sales Tax Loan from Government of West Bengal through WBIDC, which remains unpaid along with accumulated interest.
9. **Related Party Transactions**
Mr. Bhag Chand Jain, Chairman-cum-Managing Director being the Key Managerial Personnel has received remuneration under his contract of employment with the Company.
10. **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo**
The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) to The Companies (Accounts) Rules 2015 is furnished in Annexure- A of this Report.
11. **Adequacy of Internal Financial Controls with reference to Financial Statement**
The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weakness in the design or operation was observed. The quarterly Internal Audit Reports received from Messrs Das & Ghosh, Chartered Accountants were placed before the Audit Committee and Board Meetings for necessary review.
12. **Deposits**
The Company has neither accepted nor renewed any deposits which comes as deposit as per rule 2 (1) (c) of the Companies (Acceptance of deposit) Rules, 2014 during the year under review.
13. **Details of Subsidy, Joint Venture or Associate Companies**
The Company does not have any Holding, Subsidiary or Joint Venture. The Company has an Associate Company namely "Florence Dealer Private Limited" which is holding about 26.57% equity shares of the Company.
14. **Audit Committee**
The Company has constituted Audit Committee comprising of Mr. Giriraj Daga, Mr. Mukul Jain and Ms. Shreya Gangawat. Mr. Bhag Chand Jain, Chairman cum Managing Director attended the meetings as an Invitee. The committee met Five (5) times during the financial year 2025- 2026 on 13.05.2025, 06.08.2025, 04.09.2025, 20.11.2025 and on 14.02.2026.
15. **Corporate Social Responsibility**
The Company was not required to comply with the provisions of section 135 of Companies Act 2013 regarding Corporate Social Responsibility during the year under review.

16. **Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013**
The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provision of the sexual harassment of women at workplace (prevention, prohibition and redressal) Act, 2013 and the Rules thereunder for prevention and redressed of complaints of sexual harassment at workplace.
17. **Explanation or Comments on Qualifications, Reservations or Adverse Remarks or Disclaimers made by the Auditors and the practicing Company Secretary in their Reports**
The explanation of the Board with respect to the qualification made by the Auditors in their report have been replied by the Board as under:

Auditor's observation on gratuity liability has been replied in Notes on Accounts. In respect of appointment of Company secretary, Registrar and Share transfer Agent and dematerialisation of shares, the matters are under process.
18. **Secretarial Audit Report**
In terms of Section 204 of the Act and Rules made there under, M/s R.N Goswami & Co, Practicing Company Secretary, (C.P. 2267) has issue Secretarial Audit Report for the financial year ended on 31.03.2026. The report is enclosed as **Annexure- B**.
19. **Cost Auditors**
In terms of Section 148 of the Companies Act, 2013 read with rule 14 of the companies (Audit and Auditors) Rules 2015 and on the recommendation of Audit Committee, the Board of Directors appointed M/s Chatterjee & Co. as Cost Accountants (Firm registration No.17962).
20. **Directors Responsibility Statement:**
(a) In preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
(b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
(c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
(d) The Directors had prepared the annual accounts on a going concern basis;
(e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
(f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
21. **Vigil Mechanism & Whistle Blower Mechanism**
Pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 read with rule 7 of The Companies (Meetings of Board & its Powers) Rules, 2014 the company has established a Vigil Mechanism named Whistle Blower Policy (WBP) to provide a formal mechanism to the directors and employees to report their genuine concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct, if any.
22. **Listing with Stock Exchange**
The Company has paid the Annual Listing Fees for the year 2025-2026 to The Calcutta Stock Exchange Ltd., where the Company's Shares are listed. The listing remain suspended for non- compliance of certain clauses of the listing agreement during the year 2025-2026.

23. **Risk Management Policy**

The company has adopted a Risk Management Policy in accordance with the provisions of the Companies Act, 2013. The company reviews the execution of Risk Management plan and ensures its effectiveness including identification, evaluation, monitoring and minimizing identifiable risks. At present the company has not identified any element of risk which may threaten the existence of the company.

24. **Statutory Auditors**

The members in the 216th Annual General Meeting appointed M/s. Ranjit Jain & Co. (FRN.322505E) as the Statutory Auditors upto the conclusion of the Annual General Meeting to be held in the year 2026. The Board of Directors recommended the reappointment of the said auditors in this Annual General Meeting for the next financial year 2026-2027 subject to approval of members in 217th Annual General Meeting.

25. **Disclosure**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions/events on these items during the year under review:

- a. Issue of Equity Shares with deferential rights.
- b. Issue of Shares (Including Sweat Equity Shares) to employees of the Company under any scheme.
- c. Significant or material orders passed by any Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in future.

26. **Acknowledgement**

Directors wish to place on record their appreciations for the co-operation received from the Employees, Shareholders and the assistance extended by Government of West Bengal, West Bengal Industrial Development Corporation Limited, BIFR, IFCI and the Banks.

For and on behalf of the Board of Directors

Kolkata,
Dated: 14th August, 2026

Bhag Chand Jain (DIN: (00337816)
Chairman cum Managing Director

ANNEXURE TO DIRECTORS' REPORT

The information under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2015 and forming part of Directors' Report for the year ended 31st March, 2026

CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

FORM – A

CONSERVATION OF ENERGY

(a)	POWER AND FUEL CONSUMPTION (in relation to Mill at Kankinara)	Current Year Ended 31.03.2026	Previous Year Ended 31.03.2025
1.	(a) Purchased Units (KWH)	8434452	9458376
	Total amount (In Rs)	76168484	85531780
	Rate / Unit (In Rs)	9.03	9.04
	(b) Own Generation		-
	Through Diesel Generation Unit (KWH)		
	Unit per Ltr. of Diesel & Mobil Oil		
	Cost / Unit (In ₹)		
2.	Coal (Coal is used in Boiler for Generation of process steam)		
	Quantity (Tonnes)	-	-
	Total Cost (In Rs)	-	-
	Average Rate (In Rs.)	-	-
(b)	CONSUMPTION PER UNIT OF PRODUCTION		
	Production – Jute Goods (In Tonnes)	21042	22010
	Electricity (In Units)		
	Coal (In Tonnes)	-	-

FORM – B

RESEARCH AND DEVELOPMENT (R&D)

There is not much of Research and Development work in individual units of Jute Industry. However, Indian Jute Industries' Research Association (IJIRA) of which Company is a member is doing Research and Development Work for the Industry as a whole. The Company is actively participating in many schemes in the shop floor conducted by IJIRA, Institute of Jute Technology and the Office of the Jute Commissioner.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Diversified jute products are being manufactured.

Benefits as a result of above efforts i.e. production of Bleached Cloth, Jute Matting etc.

			Current Year Ended 31.03.2026	Previous Year Ended 31.03.2025
Imported Technology			----	----
Foreign Exchange Earning & outgo			NIL	NIL
Total Foreign Exchange:	Earned	Rs.	NIL	NIL
	Outgo	Rs.	NIL	NIL

SECRETARIAL AUDIT REPORT
(for the Financial Year ended 31 March 2026)

To the Members,
Kanknarrah Company Limited
29/1, Stephen House, 2nd Floor,
4, B. B. D. Bagh East, Kolkata 700001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s **Kanknarrah Company Limited**, (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the 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 **31st March, 2026** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s Kanknarrah Company Limited for the financial year ended on 31.03.2026, according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder: (during the Audit Period, no shares of the company were dematerialized).
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

The company has purchased raw jute from Bangladesh for which payment was made through ICICI Bank Ltd by foreign currency.

- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company.
 - 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, 1992; (Not applicable to company during the audit period)
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable 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 Debt Securities) Regulations, 2008; (Not applicable 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; (There was no Registrar and Share Transfer Agent during the audit period).
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (The company was not delisted during the audit period but operation has been suspended by The CSE Ltd where the shares of the company are listed).
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (There was no buy back of shares during 2025-2026).

Other Laws:

As per information received the company has generally complied with the other applicable laws as under:

The Jute Manufactures Cess Act, 1983 and Rules made thereunder. Jute & Jute Textile Control Orders 2000 and notifications made thereunder

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India. (Secretarial Standard was complied with in respect of maintaining of Minutes of Board of Directors and General Meeting during the Audit period 2025-2026)

As per information received from the management, the Listing Agreements entered into by the Company with "The Calcutta Stock Exchange Limited" has not been complied during the financial year 2025-2026 as a result the status of the company in Calcutta Stock Exchange was **SUSPENDED**. The company has started compliance. All the shares of the company are in physical form.

We further report that:

The Board of Directors of the Company is duly constituted with the Executive and Non-Executive Directors. The Board has appointed Smt. Shreya Gangawat as woman director.

The tenure of office of Mr. Bhag Chand Jain, as the Chairman Cum Managing Director ended on 31st May, 2026. With the recommendation of the Audit Committee, the Board of Directors passed resolution for re-appointment of Mr. Jain as Chairman cum Managing Director for a further period of 3 years with effect from 1st June 2026, subject to approval of the members in the ensuing Annual General Meeting schedule to be held on 23rd September, 2026.

As per information received the company has given notices to all Directors for the Board and Committee Meetings by mail or in electronic mode.

During the audit period 5 (five) Board Meetings were held and 5 (five) Audit Committee meetings were held during the financial year 2025-2026, for which Minutes were properly prepared, recorded and signed. Annual General Meeting for 2025 was held on 26th September, 2025 which was within the statutory time limit permitted under the Act.

All decisions at the above Meetings were carried out unanimously. Mr. Jugal Kishore Bagri is holding the office as the Chief Financial Officer during above financial year. There was no Company Secretary during the financial year 2025-2026.

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

We further report that during the Audit Period the company has not made any:

- i) Public/Right/Preferential/Issue of Shares/debentures/sweat equity etc.
- ii) Redemption/Buy back of Securities.
- iii) Merger/Amalgamation/reconstruction etc.
- iv) Foreign Technical Collaborations.

Place: - Kolkata

Dated: 24th August 2026

UDIN: F001918H001197970

For. R N GOSWAMI & CO
Company Secretaries

R N GOSWAMI
FCS: 1918, C.P: 2267

KANKNARRAH COMPANY LIMITED

CORPORATE GOVERNANCE REPORT

The Company is introducing the practice of good corporate governance as per the provision of Clause 49 of the Listing Agreement

BOARD OF DIRECTORS

Composition & Participation

In the financial year 2025- 2026 a total of 5 (five) Board Meetings were held on the following dates namely: 13.05.2025, 06.08.2025, 04.09.2025, 20.11.2025 and on 14.02.2026.

The maximum time gap between two Board meetings was not more than four calendar months. The following table gives details of participation in Board meetings and AGMs of the company.

<u>Sl. No.</u>	<u>Name of Directors</u>	<u>Category</u>	<u>No. of Board Meetings attended</u>	<u>Attendance in last AGM</u>
1)	Mr. B.C. Jain	Chairman-cum-Mg. Director (Promoter Executive)	5	Yes
2)	Mr. Giriraj Daga	Non- Executive - Director	5	Yes
3)	Ms.Shreya Gangawat	Non- Executive - Director	5	No
4)	Mr. Mukul Jain	Non- Executive - Director	5	No

AUDIT COMMITTEE AND NOMINATION AND REMUNARATION COMMITTEE

Composition

The Audit Committee of the company presently comprises of the members as under: members all of whom are Non-Executive Directors except Mr. B. C, Jain, who has participated as an invitee.

1)	Mr. Giriraj Daga	Appointed on 10.08.2017
2)	Ms. Shreya Gangawat	Appointed on 28.02.2020
3)	Mr. Mukul Jain	Appointed on 28.02.2020
4)	Mr. B. C. Jain (invitee)	Appointed on 01.03.1996

Audit Committee Meetings

5 (five) meetings of the Audit Committee were held during the financial year 2025-2026 on 13.05.2025, 06.08.2025, 04.09.2025, 20.11.2025 and on 14.02.2026.

The attendance of the committee members at the above meetings is as follows:

<u>SL</u>	<u>Name of Director</u>	<u>Held</u>	<u>Attended</u>
1)	Ms. Shreya Gangawat	5	5
2)	Mr. Mukul Jain	5	5
3)	Mr. Giriraj Daga	5	5
4)	Mr. B. C. Jain (invitee)	5	5

Terms of Reference

The terms of reference for the committee as laid down by the Board include the following:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Reviewing with management, the quarterly, and half yearly and annual financial statements before submissions to the board.
- Reviewing with management, external and internal auditors, the adequacy of internal control systems and ensuring compliance therewith.

- d. Discussing with internal and external auditors any significant findings and follow up thereon.

Board Disclosures – Risk Management

The Company shall lay down procedures to inform Board members about the risk assessment & minimisation proceedings. These procedures shall be periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

GENERAL BODY MEETINGS

The details of last 3 (three) Annual General Meetings are as under: -

<u>Particulars</u>	<u>Date</u>	<u>Venue</u>
214th Annual General Meeting	September, 29. 2023	Kolkata
215th Annual General Meeting	September, 28. 2024	Kolkata
216th Annual General Meeting	September, 26. 2025	Kolkata

No resolution was passed by Postal Ballot at any of the above Annual General Meetings and all the resolutions at these meetings were passed with the requisite majority.

Related Party Transactions

Mr. Bhag Chand Jain, Chairman-cum-Managing Director being the Key Managerial Personnel has received remuneration under his contract of employment with the Company. No other related party transaction was record during the financial year 2025-2026.

Compliance with Laws

There has been non- compliance namely: Shares are in physical form and no shares were dematerialised. The company has not appointed any Registrar and Share transfer Agent and no Company Secretary was appointed during the financial year 2025-2026.

GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting

The ensuing 217th Annual General Meeting is scheduled to be held on Wednesday, the September, 23. 2026 at 12-00 Noon at Subarna Banik Samaj Hall, 47 Ganesh Chandra Avenue, Kolkata – 700 013.

Financial Calendar

The company follows April – March financial year. Annual Audited accounts are sent to the all the persons authorized.

Date of Book Closure

The Share transfer book & the members' register will be closed from 14th September, 2026 to 23rd September, 2026 (both days inclusive) for the purposes of the 217th Annual General Meeting.

Listing on Stock Exchange

The company's shares are listed on The Calcutta Stock Exchange Ltd.

Market Price Data

The price of the company's share of Rs. 100/- each was Rs. 30/- throughout the year.

Registrar & Share Transfer Agents & System

There was no physical share was transferred during the financial year 2025-2026, except transmission of shares on death of any members to his/her successor(s).

Dematerialization of Shares

The company's shares are still in the physical form. No shares was dematerialised.

Mill Address: P.O. Kankinara, Dist. 24-Parganas (North).

Address for correspondence and Registered Office: 29/1, Stephen House, 2nd Floor, 4, B.B.D. Bagh (East), Kolkata-700 001.



Independent Auditor's Report

To
The Members of
KANKNARRAH COMPANY LIMITED

Report on the audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of **KANKNARRAH COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss (including the statement of Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us except of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its Profit (including other comprehensive income), changes in equity and its cashflows for the year ended on that date.

Basis for Qualified Opinion

- (a) Accrued liability for gratuity payable as per Gratuity Act, 1792 (as amended) and Leave Encashment Benefit to employees as per Service Rules of the Company, at the year ended 31st March, 2026, have neither been ascertained as per Ind AS 19 nor provided for in these financial statements.
- (b) Gratuity
 - (i) Gratuity liability amounting to Rs. 1747.71 lakhs as at 31st March 2026 for employees retired till the end of the year has not been provided for in these financial statements. Payment of gratuity is accounted on cash basis.
 - (ii) Interest payable on delayed payment of gratuity has neither been ascertained nor provided for in the financial statements.
- (c) Interest and penalty payable from 1st April 2007, on overdue unsecured Sales Tax Loan taken from Government of West Bengal through WBIDC have not been ascertained and provided for in these statements.

In respect of (a), (b) (i), (b)(ii) and (c) the resultant impact could not be ascertained by us.



We have conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Information Other than the 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 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, are of most significance in our audit of the financial statements of the current period. These matters are addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Management's responsibility for the 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 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 accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for



preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that are of most significance in the audit of the 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"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - a. Except for the point in (a), (b) and (c) in Basis for Qualified Opinion paragraph above, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. Except for the point in (a), (b) and (c) in Basis for Qualified Opinion paragraph above, 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), the Statement of Changes in Equity and the Statement of Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. Except for the point in (a), (b) and (c) in Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the 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 requirements of Section 197(16) of the Act:
In our opinion and according to the information and explanations given to us, the managerial remuneration provided during the year is within the limit prescribed of section 197.
- 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, 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 financial statement – Note No. 41 to the Financial Statements.
 - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - 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, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that are 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The Company has not declared nor paid any dividend during the year. Hence, reporting the compliance with section 123 of the Act is not applicable.
- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which *does not* have a feature of recording audit trail (edit log) facility. However, in our opinion, proper books of accounts stating true and fair states of affairs of the Company, as required under Section 128(1) of the Companies Act 2013 has been maintained by the company for the financial year 2025-2026.

Place:- Diamond Heritage, Unit No. H605
6th Floor, 16 Strand Road
Kolkata- 700 001

For RANJIT JAIN & CO.
Chartered Accountants

Dated: The 29th Day of May, 2026
UDIN- 26061650TIURVO9988

CA. Rajiv Jain
(Partner)
Membership. No. 061650
Firm Reg No. 322505E



Annexure -A to the Independent Auditors' Report

The Annexure referred to in our report to the members of the Company on the financial statements for the year ended on March 31, 2026.

In term of the information and explanations given to us and books of account examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of the Property, Plant and Equipment ("PPE") except certain Buildings, Plant & Equipment and Electric Installation;
(B) The company is maintaining proper records showing full particulars of intangible assets.
- (b) The Property, Plant and Equipment ("PPE") have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the Property, Plant and Equipment ("PPE") has been physically verified by the management during the year and no material discrepancies between the books records and the physical Property, Plant and Equipment ("PPE") have been noticed.
- (c) According to the information and explanations given so us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the company as at the Balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed under Property, Plant and Equipment in the financial statements, the lease agreements are in the name of the Company.
- (d) In our opinion and according to the information and explanations given to us, the Company has not revalued its PPE (including Right of Use assets) or intangible assets during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. (a) The management has conducted physical verification in respect of inventory at reasonable intervals. In our opinion the frequency of verification, coverage and procedure of such verification by the management is appropriate. No material discrepancies have been noticed on physical verification of stocks as compared to book records.



- (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 been sanctioned working capital limits of Rs. 30 Crores (Rs. Thirty Crores Only) in aggregate. Copies of monthly statements and returns, furnished to banks have also been made available for our verification. We have verified the same on random sampling basis and found the same in aggregate with books of accounts.
- iii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year the company has not made any investments and also not provided any advances in the nature of loans or guarantee or security to companies, firms, Limited Liability Partnership and other parties.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year the company has not made any investments and also not provided any guarantees, security, loans or advances in the nature of loans or guarantee to companies, firms, Limited Liability Partnership and other parties. Accordingly, reporting under clause 3(iii)(b) of the Order is not applicable to the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year the company has not provided any loans or advances in the nature of loans. Accordingly, reporting under clause 3(iii)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year the company has not provided any loans or advances in the nature of loans. Accordingly, reporting under clause 3(iii)(d) of the Order 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, during the year the company has not provided any loans or advances in the nature of loans. Accordingly, reporting under clause 3(iii)(e) of the Order is not applicable to the Company.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year the company has not provided any loans or advances in the nature of loans. Accordingly, reporting under clause 3(iii)(f) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits under the directives of the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable. Accordingly, the provisions of clause 3(v) of the Order are not applicable.



- vi. We have broadly reviewed the books of accounts maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and are of the opinion of prima facie, the prescribed accounts have been made and maintained
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing 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 any other statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof 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 dues in respect of 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 any other statutory dues that have not been deposited with the appropriate authorities on account of any dispute *except the below mentioned cases:*

Statement of Disputed Dues

Name of the Statute	Nature of the Dues	Amount (Rs. in Lacs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
ESIC	ESIC	52.00	1993-94 to 2008-09	Court of the Employees Insurance, West Bengal	
Central Excise Act, 1944	Excise	5.64	2011-12	Appeals	
Central Excise Act, 1944	Excise	5.21	April 2010 to December 2014	Appeals	
Central Excise Act, 1944	Excise	2.35	November 2015 to August 2016	Appeals	
Central Excise Act, 1944	Excise	1.85	September 2016 to June 2017	Appeals	
Central Excise Act, 1944	Excise	1.55	January 2015 to October 2015	Appeals	
Central Excise Act, 1944	Excise	5.64	April 2011 to March 2012	Appeals	



- viii. According to the information and explanation given to us, company has no transactions, not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) The company has defaulted in repayment of Rs. 505.77 Lacs (Principal amount) and interest amounting to Rs. 479.43 Lacs (in respect of a loan of Rs. 505.77 Lacs availed from Government of West Bengal), the default occurred on 1st June, 1996 and was not cleared until 31st March, 2026.
- (b) According to the information and explanation provided to us, Company is not declared wilful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given so us the company has utilised the money obtained by way of term loans during the year for the purposes for which they were obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) According to the information and explanations give to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and associates.
- (f) According to the information and explanations given to us and procedures applied by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries and associate companies.
- x. (a) According to the records of the company, The Company has not raised any money by way of initial public offer or further public offer including debt instruments) during the year. Accordingly, paragraph 3 (x)(a) of the order is not applicable.
- (b) According to the records of the company , The Company has not raised any money by way of preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, paragraph 3 (x)(b) of the order is not applicable.
- xi. (a) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor we have been informed of such case by the management.



- (b) According to the information and explanation given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information and explanation given to us, no whistle-blower complaints, received during the year by the company;
- xii. In our opinion and to the best of our information & explanations provided by the management, Company is not a Nidhi company, accordingly provisions of the Clause 3(xii) of the Order is not applicable to the company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
(b) The reports of the Internal Auditor for the period under audit were considered by us.
- xv. According to the information and explanations given to us, we are of the opinion that the company has not entered into any non-cash transactions with directors or persons connected with him and accordingly, the provisions of clause 3(xv) of the Order is not applicable.
- xvi. (a) According to the information and explanations given to us, we are of the opinion that the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
(b) According to the information and explanations given to us, we are of the opinion that the company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.
(c) the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clause 3(xvi)(c) of the Order is not applicable to the Company.
(d) This clause is not applicable to the company as it is not CIC.
- xvii. The Company has not incurred cash losses during the financial year and in the immediately preceding financial year.



- xviii. There has been no resignation of the statutory auditors during the year and accordingly, the provisions of clause 3(xviii) of the Order is not applicable.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the 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 indicating that company is incapable 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 this 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. There are no unspent amounts towards Corporate Social Responsibility ('CSR'). Accordingly, reporting under paragraph 3(xx)(a) of the Order is not applicable for the year.
- xxi. The Company did not have any subsidiary, associate or joint venture during the year. Accordingly, reporting under clause 3(xxi) of the Order is not applicable to the Company.

Place:- Diamond Heritage, Unit No. H605
6th Floor, 16 Strand Road
Kolkata- 700 001

For RANJIT JAIN & CO.
Chartered Accountants

Dated: The 29th Day of May, 2026
UDIN- 26061650TIURVO9988

CA. Rajiv Jain
(Partner)
Membership. No. 061650
Firm Reg No. 322505E



“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of KANKNARRAH COMPANY LIMITED for the year ended 31st March, 2026

Report on the Internal Financial Controls under Clause (i) 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 **KANKNARRAH COMPANY LIMITED** (“the Company”) as of March 31, 2026 in conjunction with our audit of the 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that 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 and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the 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.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS 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 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 Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2026:

- (i) The Company did not have appropriate internal control system with regard to verification and identification of fixed assets.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

RANJIT JAIN & CO.

Chartered Accountants



Unit No. H605A, 6Th Floor, Diamond Heritage.

16 Strand Road, Kolkata – 700001

Email : ranjitjainco.it@gmail.com

Contact: +91 33 66451281 | 1282

In our opinion, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, 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 March 31, 2026, 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

Place:- Diamond Heritage, Unit No. H605
6th Floor, 16 Strand Road
Kolkata- 700 001

For RANJIT JAIN & CO.
Chartered Accountants

Dated: The 29th Day of May, 2026
UDIN- 26061650TIURVO9988

CA. Rajiv Jain
(Partner)
Membership. No. 061650
Firm Reg No. 322505E

KANKNARRAH COMPANY LIMITED

CIN: L65110WB1900PLC000461

BALANCE SHEET as at 31st March, 2026

	Note No.	As at 31st March, 2026		As at 31st March, 2025	
ASSETS		(₹ in lacs)		(₹ in lacs)	
1 NON-CURRENT ASSETS					
a Property, Plant and Equipment	4	5,213.85		4,533.87	
b Capital Work-In-Progress	4	-		-	
b Other Intangible Asset	4	2.20	5,216.05	3.10	4,536.97
d Financial Assets					
i Other Financial Assets	5	164.03		113.80	
e Other Non-Current Assets	6	25.35	189.38	12.02	125.82
2 CURRENT ASSETS					
a Inventories	7	840.19		3,038.55	
b Financial Assets					
i Trade Receivables	8	144.95		1,486.99	
ii Cash and Cash Equivalents	9	89.29		91.45	
iii Other Financial Assets	10	4.61		2.32	
c Other Current Assets	11	419.55	1,498.58	358.20	4,977.53
Total Assets		6,904.02		9,640.31	
EQUITY AND LIABILITIES					
1 EQUITY					
a Equity Share Capital	12	323.23		323.23	
b Other Equity	13	1,416.50	1,739.72	1,037.42	1,360.65
LIABILITIES					
2 NON CURRENT LIABILITIES					
a Financial Liabilities					
i Borrowings	14	1,049.36		505.77	
b Provisions	15	4.73	1,054.09	4.73	510.50
c Deferred Tax Liabilities	16		309.93		242.31
d Other Non Current Liabilities	17		33.55		42.66
3 CURRENT LIABILITIES					
a Financial Liabilities					
i Borrowings	18	2,775.33		5,168.88	
ii Trade Payables	19	287.73		1,223.57	
iii Other Financial Liabilities	20	483.23		487.86	
b Other Current Liabilities	21	128.61		487.29	
c Provisions	22	91.82	3,766.73	116.57	7,484.19
Total Equity and Liabilities		6,904.02		9,640.31	

Significant Accounting Policies 1-3

The accompanying notes are an integral part of the Financial Statements

As per our report of even date annexed

For Ranjit Jain & Co.

Chartered Accountants

Firm Registration No. 322505E

For and on behalf of the Board of Directors

CA Rajiv Jain

(Partner)

Membership No. 061650

UDIN- 26061650TIURVO9988

Bhag Chand Jain

(Managing Director)

DIN: 00337816

Giriraj Daga

(Director)

DIN: 05326118

Place: Kolkata

Dated: The 29th Day of May, 2026

Jugal Kishore Bagri

(CFO)

KANKNARRAH COMPANY LIMITED

CIN: L65110WB1900PLC000461

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2026

S. No.	Particulars	Note No.	For the year ended 31st March, 2026	For the year ended 31st March, 2025
			(₹ in lacs)	(₹ in lacs)
I	Revenue from Operations	23	28,467.64	22,848.47
II	Other Income	24	154.74	106.85
III	Total Income (I+II)		28,622.38	22,955.33
IV	EXPENSES			
	Cost of Materials Consumed	25 (a)	17,745.34	13,765.11
	Purchases of Traded Goods	25 (b)	113.91	66.63
	Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress	25 (c)	1,773.22	-711.22
	Employee Benefits Expense	26	4,618.25	5,259.07
	Finance Costs	27	503.91	498.80
	Depreciation and Amortisation Expense	28	305.83	282.57
	Other Expenses	29	3,065.54	3,524.53
	Total Expenses		28,125.99	22,685.48
V	Profit before Exceptional Items and Tax (III-IV)		496.39	269.85
VI	Exceptional Items		-	-
VII	Profit before Tax (V-VI)		496.39	269.85
VIII	Tax Expense:			
	Current Tax		49.70	44.00
	Deferred Tax		67.62	242.31
IX	Profit for the year (VII-VIII)		379.07	-16.46
X	Other Comprehensive Income	30	-	-
	Total Comprehensive Income for the period (XI + X)		379.07	-16.46
XI	Earnings Per Share	31	117.28	-5.09

The accompanying notes are an integral part of the Financial Statements

As per our report of even date annexed

For Ranjit Jain & Co.

Chartered Accountants

Firm Registration No. 322505E

For and on behalf of the Board of Directors

CA Rajiv Jain

(Partner)

Membership No. 061650

UDIN- 26061650TIURVO9988

Bhag Chand Jain
(Managing Director)
DIN: 00337816

Giriraj Daga
(Director)
DIN: 05326118

Jugal Kishore Bagri
(CFO)

Place: Kolkata

Dated: The 29th Day of May, 2026

KANKNARRAH COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2026

(₹ in lacs)

Particulars	For the Year Ended	
	2025-2026	2024-2025
A. Cash flow from operating activities :		
Net Profit before tax and extraordinary items	496.39	269.85
Adjustments for -		
Depreciation	305.83	282.57
Finance Cost	503.91	498.80
Interest Received	-16.26	-3.92
Provision for Doubtful Debts	-3.01	-2.86
Loss/(Profit) on Sale of Fixed Asset	-50.38	-1.57
Adjustment of Government Subsidy on Capital Goods	-9.12	-9.12
Net Gain arising on Foreign Currency Transaction	- 730.97	- 763.90
Operating profit before working capital changes	1,227.36	1,033.75
Adjustments for -		
(Increase)/ Decrease in Trade Receivable	1,345.05	484.61
(Increase)/ Decrease in Current & Non Current Assets	-127.20	191.03
Increase /(Decrease) Trade Payables, Provisions & Others	-1,323.91	-854.66
(Increase)/ Decrease in Inventories	2,198.37	-494.76
Cash generated from/ (used in) operations	3,319.67	359.97
Direct taxes (paid) / refund	49.70	44.00
Net cash from/ (used in) operating activities	3,269.97	315.97
B. Cash flow from investing activities :		
Purchase for Fixed Assets/ Capital in Progress	-1,037.03	-420.68
Sale of Fixed Assets	102.50	31.00
Interest Received	16.26	3.92
Net cash from/ (used in) investing activities	-918.27	-385.76
C. Cash flow from financing activities :		
Increase/ (Decrease) In Unsecured Loan	-1,409.50	-810.00
Increase/ (Decrease) In Secured Loan	-440.46	651.57
Net Gain arising on Foreign Currency Transaction	-	-
Interest Paid	-503.91	-498.80
Net cash from/ (used in) financing activities	-2,353.87	-657.23
Net increase / (decrease) in cash and cash equivalent (A+B+C)	-2.17	-727.01
Opening Cash and cash equivalents	91.45	818.47
Closing Cash and cash equivalents*	89.28	91.45

*Cash and cash equivalent consist of :-

	As at 31.03.2026	As at 31.03.2025
Cash & Cash Equivalents		
Cash , cheques, drafts in hand etc.	0.22	8.19
Bank Balance in Current Accounts	89.06	83.26
Cash and Cash equivalent	89.28	91.45

The aforesaid statement is prepared on indirect method.

The figures of the previous year have been reclassified to conform to current year classification.

As per our report of even date annexed

For Ranjit Jain & Co.
Chartered Accountants
Firm Registration No. 322505E

For and on behalf of the Board of Directors

CA Rajiv Jain
(Partner)
Membership No. 061650
UDIN- 26061650TIURVO9988

Bhag Chand Jain
(Managing Director)
DIN: 00337816

Giriraj Daga
(Director)
DIN: 05326118

Place: Kolkata
Dated: The 29th Day of May, 2026

Jugal Kishore Bagri
(CFO)

KANKNARRAH COMPANY LIMITED

CIN: L65110WB1900PLC000461

Statement of Change in Equity for the year ended 31st March, 2026

(₹ in lacs)

a Equity Share Capital

Balance as at 1st April 2024	323.23
Add/(Less): Changes in Equity Share Capital during the year	-
Balance as at 31st March 2025	323.23
Add/(Less): Changes in Equity Share Capital during the year	-
Balance as at 31st March 2026	323.23

b Other Equity

	Revaluation Reserve	General Reserve	Retained Earnings	Other Comprehensive Income	TOTAL
Balance as at 1st April, 2024	1,251.70	13.20	-211.02	-	1,053.88
Profit for the Year	-	-	-16.46	-	-16.46
Impact of Tax	-	-	-	-	-
Total Comprehensive Income	1,251.70	13.20	-227.48	-	1,037.42
Transfer to General Reserve	-	-	-	-	-
Balance as at 31st March, 2025	1,251.70	13.20	-227.48	-	1,037.42

	Revaluation Reserve	General Reserve	Retained Earnings	Other Comprehensive Income	TOTAL
Balance as at 1st April, 2025	1,251.70	13.20	-227.48	-	1,037.42
Profit for the Year	-	-	379.07	-	379.07
Impact of Tax	-	-	-	-	-
Total Comprehensive Income	1,251.70	13.20	151.60	-	1,416.50
Transfer to General Reserve	-	-	-	-	-
Balance as at 31st March, 2026	1,251.70	13.20	151.60	-	1,416.50

The Notes are an integral part of the Financial Statements

As per our Report annexed of even date

For Ranjit Jain & Co.

Chartered Accountants

Firm Registration No. 322505E

For and on behalf of the Board of Directors

CA Rajiv Jain

(Partner)

Membership No. 061650

UDIN- 26061650TIURVO9988

Bhag Chand Jain

(Managing Director)

DIN: 00337816

Giriraj Daga

(Director)

DIN: 05326118

Place: Kolkata

Dated: The 29th Day of May, 2026

Jugal Kishore Bagri

(CFO)

KANKNARRAH COMPANY LIMITED

Notes to the Financial Statements for the year ended March 31, 2026

1. CORPORATE INFORMATION

M/s Kanknarrah Company Limited ("the Company") was incorporated in 1900. The Company is a public company domiciled in India. The registered office of the company is located at 29/1, Stephen House, 2nd floor, 4 B.B.D. Bag (East), Kolkata- 700001. The Company CIN is L65110WB1900PLC000461. The Company is listed with The Calcutta Stock Exchange.

The Company is primarily engaged in manufacturing and trading of Jute goods. The Company has its jute mill at Kankinara, 24 Paraganas (North) West Bengal.

2. MATERIAL ACCOUNTING POLICIES

BASIS OF PREPARATION

(i) **Statement of Compliance**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

(ii) **Functional and presentation currency**

These Standalone financial statements are presented in INR Lacs, which is also the Company's functional currency.

(iii) **Classification of assets and liabilities into current/non-current**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Act. The operating cycle of the Company is the time between the acquisition of jute for processing and their realisation in cash or cash equivalents.

(iv) The Financial Statements are prepared on accrual basis under the historical cost convention, except for certain Property, Plant and Equipments which are carrying at revalued amount and ongoing concern basis.

(v) **Use of Estimates**

The preparation of Financial Statements, in conformity with the IND AS as prescribed under Section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 and subsequent amendment thereto, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liability on the date of Financial Statement and the result of operations during the year. Differences between actual results and estimates are recognized in the year in which the results are known or materialized. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

3. MATERIAL ACCOUNTING POLICIES

Kanknarrah Company Limited (KCL) manufactures and trades Jute goods. KCL has its jute mill at Kankinara, 24 Paraganas (North) West Bengal. BIFR declared KCL as Sick Industrial Company under Sick Industries Company (Special Provision Act) 1985 (SICA) in the year 1995. Rehabilitation sanctioned scheme (SS) sanctioned on 07.02.2007 by BIFR is under implementation.

With effect from 1st December 2016, the SICA has been repealed by the Sick Industrial Companies (Special Provisions) Repeal Act, 2003 ("Repeal Act"). This has resulted in the dissolution of the BIFR and other bodies formed under the SICA.

Accordingly, the National Company Law Tribunal (NCLT) and the National Company Law Appellate Tribunal (NCALT) were constituted under Companies Act, 2013. NCLT has the jurisdiction to hear matters with respect to, amongst others, the management of a company mergers and amalgamations and revival or rehabilitation of Companies. The matter will be taken up by NCLT in due course.

(a) **Property, Plant and Equipment**

Property, Plant and Equipments are stated at cost or revalued amount less accumulated depreciation. Cost of Property, Plant and Equipments includes all incidental expenses and interest costs on borrowings, attributable to the acquisition of the assets, up to the date of commissioning of the assets.

KANKNARRAH COMPANY LIMITED

Notes to the Financial Statements for the year ended March 31, 2026

Depreciation is calculated on cost of items of property plant and equipment less their estimated residual values using the straight line method, over their estimated useful lives as prescribed in Part C of Schedule II of Companies Act, 2013. Depreciation on Solar Plant (Included in Plant & Machinery) is calculated over the estimated useful life which is 30 Years on Cost of plant less estimated residual value using straight line method.

Additional charge of depreciation on amount added on revaluation is adjusted against revaluation reserve.

(b) Inventories

Stores and Spares parts are valued at cost or under, computed on a weighted average basis.

Raw Materials and Work- in-process are carried at cost or under, computed on a weighted average basis. In case there is a decline in replacement cost of such materials and the net realizable value of finished goods in which they will be used is expected to be below cost, the value of such materials and work- in-process is appropriately written down.

Each item of finished goods is valued at lower of cost (computed on a weighted average basis) and net realizable value. Cost includes an appropriate portion of manufacturing and other overheads, where applicable.

(c) Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contract that gives rise to financial assets and financial liabilities. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets 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.

(d) Assets held for sale

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell. Assets once classified as held for sale are neither depreciated nor amortised.

(e) Provision and Contingent liability

The Company recognizes a provision when there is a present obligation as a result of a past event and it is more likely that there will be an outflow of resources embodying economic benefits to settle such obligations and the amount of such obligation can be reliably estimated. Provisions are not discounted to their present value and are determined based on the management's estimation of the outflow required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current management estimates.

KANKNARRAH COMPANY LIMITED

Notes to the Financial Statements for the year ended March 31, 2026

Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of future events not wholly within the control of the Company.

When there is an obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

(f) Government Grants and Subsidies

Government grants and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants and subsidies will be received.

Government grants in the nature of "*Capital Investment Subsidy*" received under Jute Technology Mission is treated as deferred income and are recognized as other income in the statement of profit & loss on a systematic and rational basis over the useful life of the asset.

(g) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized.

(i) Sale of Goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer which generally coincides with the delivery of goods to customers. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

(ii) Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable

(h) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(i) Employee benefits:

Short-term Employee Benefits

All employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefit. The benefit like salaries, wages short-term compensated absence etc. and the expected cost of bonus ex-gratia are recognized in the period in which the employee renders the related service.

KANKNARRAH COMPANY LIMITED

Notes to the Financial Statements for the year ended March 31, 2026

Post Employment Benefits

1) Defined Contribution Plans

Defined contribution plans are State administered Provident Fund cum Pension Fund schemes and Employees' State Insurance scheme. The company's contribution to defined contribution plans are recognized in the Profit and loss account in the financial year to which they relate. The company does not have any other obligation other than the monthly contribution payable to the Provident Fund and Employee State Insurance authorities.

2) Defined Benefit Plans

Post retirement Gratuity Benefit and Leave Encashment Benefits.

Post retirement Gratuity to the retired employees as per The Gratuity Act, 1972 and Leave Encashment Benefits as per Company's Scheme are Defined Benefit Plans. The payment of Gratuity to retired employees and payments of leave encashment to the employees are accounted for as and when paid.

(j) Foreign Exchange Transaction:

Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of transactions. Gains / losses arising out of fluctuations in the exchange rates are recognized in the Profit & Loss account in the period in which they arise.

Monetary assets and liabilities related to foreign currency transaction remaining unsettled at the end of the year are translated at year end rates.

(k) Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current Tax is determined at the amount of tax payable in respect of taxable profit for the year as per the Income-tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rate that has been enacted by the end of the reporting period.

Deferred tax

The Company's deferred tax is calculated using tax rate that are substantially enacted by the end of the reporting period.

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 are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Current and deferred tax for the year

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

The Company has elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019

KANKNARRAH COMPANY LIMITED

Notes to the Financial Statements for the year ended March 31, 2026

(l) Cash and Cash Equivalents

Cash and cash equivalents in the standalone balance sheet comprise of cash on hand, cheques on hand, balance with banks on current accounts and short term, highly liquid investments with an original maturity of three months or less and which carry insignificant risk of change in value. For the purpose of cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

(m) Earning Per Share (EPS):

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares. Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

KANKNARRAH COMPANY LIMITED
Notes to Financial Statements for the year ended 31st March, 2026

4 PROPERTY PLANT & EQUIPMENT, INTANGIBLE ASSETS AND CAPITAL WORK IN PROGRESS

(₹ in lacs)

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
	Cost as on 01/04/2025	Additions	Sold/ Adjusted	Total as at 31/03/2026	As on 01/04/2025	For the Year	On Assets Sold/ Adjusted	Total as at 31/03/2026	As at 31/03/2026	As at 31/03/2025
A). PROPERTY PLANT & EQUIPMENT										
Land Free Hold	1,205.72	-	-	1,205.72	-	-	-	-	1,205.72	1,205.72
Building	1,832.32	-	-	1,832.32	1,751.03	2.38	-	1,753.41	78.91	81.29
Plant and Equipment	7,945.14	304.11	174.50	8,074.75	4,738.63	294.04	122.38	4,910.29	3,164.47	3,206.52
Solar Plant System	-	707.63	-	707.63	-	3.68	-	3.68	703.94	-
Electric Installation	238.22	-	-	238.22	224.28	0.97	-	225.25	12.97	13.94
Furniture and Fixtures	77.43	18.24	-	95.67	57.56	1.65	-	59.21	36.46	19.87
Motor Vehicles	29.21	-	-	29.21	25.84	0.65	-	26.49	2.72	3.37
Office Equipments	3.02	7.05	-	10.07	1.00	1.17	-	2.17	7.90	2.02
Computer and Printers	11.54	-	-	11.54	10.39	0.38	-	10.77	0.77	1.15
Total (A)	11,342.60	1,037.03	174.50	12,205.12	6,808.73	304.93	122.38	6,991.27	5,213.85	4,533.87
B). CAPITAL WORK IN PROGRESS	-	-	-	-	-	-	-	-	-	-
C). OTHER INTANGIBLE ASSETS										
Software	4.50	-	-	4.50	1.40	0.90	-	2.30	2.20	3.10
Total (C)	4.50	-	-	4.50	1.40	0.90	-	2.30	2.20	3.10

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
	Cost as on 01/04/2024	Additions	Sold/ Adjusted	Total as at 31/03/2025	As on 01/04/2024	For the Year	On Assets Sold/ Adjusted	Total as at 31/03/2025	As at 31/03/2025	As at 31/03/2024
A). PROPERTY PLANT & EQUIPMENT										
Land Free Hold	1,205.72	-	-	1,205.72	-	-	-	-	1,205.72	1,205.72
Building	1,832.32	-	-	1,832.32	1,748.65	2.38	-	1,751.03	81.29	83.67
Plant and Equipment	7,579.85	417.82	52.53	7,945.14	4,487.28	274.44	23.10	4,738.63	3,206.52	3,092.57
Solar Plant System	-	-	-	-	-	-	-	-	-	-
Electric Installation	238.22	-	-	238.22	223.31	0.97	-	224.28	13.94	14.91
Furniture and Fixtures	77.43	-	-	77.43	56.11	1.45	-	57.56	19.87	21.32
Motor Vehicles	29.21	-	-	29.21	24.31	1.53	-	25.84	3.37	4.90
Office Equipments	2.38	0.64	-	3.02	0.53	0.47	-	1.00	2.02	1.85
Computer and Printers	11.32	0.22	-	11.54	9.96	0.43	-	10.39	1.15	1.36
Total (A)	10,976.45	418.68	52.53	11,342.60	6,550.15	281.67	23.10	6,808.73	4,533.87	4,426.30
B). CAPITAL WORK IN PROGRESS	19.23	-	19.23	-	-	-	-	-	-	-
C). OTHER INTANGIBLE ASSETS										
Software	2.50	2.00	-	4.50	0.50	0.90	-	1.40	3.10	2.00
Total (C)	2.50	2.00	-	4.50	0.50	0.90	-	1.40	3.10	2.00

- 1) The Company's application for exemption under land (Ceiling and Regulation) Act, 1976 for the excess land is pending before appropriate authorities.
- 2) Pursuant to the enactment of Companies Act, 2013 the company has applied the estimated useful lives as specified in Schedule II. Accordingly the unamortised carrying value is being depreciated over the remaining useful lives.
- 3) The Company has elected to avail exemption under Ind AS 101 to use previous GAAP carrying value as deemed cost at the date of transition for all items of property, plant and equipment as per the financial statements prepared in accordance with the previous GAAP.

KANKNARRAH COMPANY LIMITED

CIN: L65110WB1900PLC000461

Notes to Financial Statements for the year ended 31st March, 2026

		(₹ in lacs.)	
		As at	As at
		31st March 2026	31st March 2025
5 OTHERS FINANCIAL ASSETS			
Fixed Deposit with bank*		164.03	113.80
		164.03	113.80
*The Company has availed Non Fund Based facility from ICICI Bank Ltd against pledge of Fixed Deposit of Rs. 131.11 Lacs (P.Y. Rs. 76.91 Lacs.)			
6 OTHER NON-CURRENT ASSETS			
Advances Other Than Capital Advances:-			
Security Deposit		12.11	2.11
Others			
Balances with Income Tax Authority		13.24	9.91
		25.35	12.02
7 INVENTORIES			
(At lower of cost or net realisable value) (Certified by Management)			
Raw Materials		40.19	439.64
Work In Progress		195.45	498.19
Finished Goods		272.48	1,742.95
Stores and Spares		332.07	332.24
Stock In Transit		-	25.53
		840.19	3,038.55
8 TRADE RECEIVABLES			
a) Considered good, secured		-	-
b) Considered good, unsecured		144.95	1,486.99
c) Having significant increase in credit risk		85.72	88.73
		230.67	1,575.72
Less: Loss for allowances			
- Provision for doubtful debt		85.72	88.73
Total Trade Receivables		144.95	1,486.99
8.1	No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.		
8.2	Refer Note No. 33 for Ageing		
9 CASH AND CASH EQUIVALENTS			
<u>Balances With Banks :</u>			
In Current Account		89.06	83.26
Cash in Hand		0.22	8.19
		89.29	91.45
10 OTHERS FINANCIAL ASSETS			
Interest accrued but not due on Fixed Deposits		4.61	2.32
		4.61	2.32
11 OTHER CURRENT ASSETS			
Advances Other Than Capital Advances:-			
Advances to Suppliers		16.26	8.18
Advances to Employees		59.31	58.71
Others			
Prepaid Expenses		21.87	21.56
Balances with Government & Statutory Authorities		288.90	227.35
Advance Payment of Income Tax/ TDS (Net of Tax provision)		17.72	29.56
GST Input Receivable - Unclaimed		-	9.09
Other Assets		15.49	3.76
		419.55	358.20

KANKNARRAH COMPANY LIMITED

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Notes to Financial Statements for the year ended 31st March, 2026

Notes to Financial Statements for the year ended 31st March, 2026

(₹ in lacs.)

			As at 31st March 2026	As at 31st March 2025
		As at 31st March 2026	As at 31st March 2025	
	No. of Shares	Amount	No. of Shares	Amount
12 EQUITY SHARE CAPITAL				
12.1 Authorised Share Capital				
Equity Shares:				
Ordinary Shares of Rs.100/- each	4,28,000	428.00	4,28,000	428.00
'B' Ordinary Shares of Rs. 100/- each	30,000	30.00	30,000	30.00
'10,000 6% Cumulative Preference Shares of Rs. 100/- each	10,000	10.00	10,000	10.00
'25,600 6% Redeemable Cumulative Preference Shares of Rs. 100/- each	25,600	25.60	25,600	25.60
	4,93,600	493.60	4,93,600	493.60
12.2 Issued, Subscribed and Paid-up Share Capital				
Ordinary Shares of Rs.100/- each	2,99,227	299.23	2,99,227	299.23
B' Ordinary Shares of Rs. 100/- each	24,000	24.00	24,000	24.00
	3,23,227	323.23	3,23,227	323.23
12.3 Subscribed and Paid-up Share Capital				
Ordinary Shares of Rs.100/- each fully paid			2,99,227	2,99,227
B' Ordinary Shares of Rs. 100/- each fully paid			24,000	24,000
			3,23,227	3,23,227
12.4 Reconciliation of the number of shares at the beginning and at the end of the year				
There has been no change/ movements in number of shares outstanding at the beginning and at the end of the year.				
12.5 Terms/ Rights attached to Equity Shares :				
Ordinary shares				
The Company has issued Ordinary Shares having a par value of 100/- each. Each holders of ordinary shares is entitled to one vote per				
B' Ordinary Shares				
The Company has issued 'B' Ordinary Shares as fully paid up Bonus Shares. These category of shares in all respect, rank pari-pasu with the Ordinary Shares.				
6% Cumulative Preference Shares and 6% Redeemable Preference Shares				
The Company has not issued any 6% Cumulative Preference Shares and 6% Redeemable Cumulative Preference Shares.				
12.6 Shareholding Pattern with respect of Holding or Ultimate Holding Company				
The Company does not have any Holding Company or Ultimate Holding Company.				
12.7 Details of Equity Shareholders holding more than 5% shares in the Company				
	As at 31st March 2026		As at 31st March 2025	
	No. of Shares	% Holding	No. of Shares	% Holding
Ordinary Shares of Rs. 100/- each fully paid				
Florence Dealers Pvt. Ltd.	79,500	26.57	79,500	26.57
Shree Raj Jutex Pvt. Ltd.	55,227	18.46	55,227	18.46
Akansha Dealcom Pvt. Ltd.	50,000	16.71	50,000	16.71
SPM Leasing and Finance Pvt. Ltd.	35,000	11.70	35,000	11.70
Piyush Suppliers Pvt. Ltd.	29,515	9.86	29,515	9.86
Sai Baba Vincom Pvt. Ltd.	20,000	6.68	20,000	6.68
'B' Ordinary Shares of Rs. 100/- each fully paid				
B. C. Jain	2,831	11.80	2,831	11.80
Manik Devi Jain	1,325	5.52	1,325	5.52
13 OTHER EQUITY				
Revaluation Reserve			1,251.70	1,251.70
General Reserve			13.20	13.20
Retained Earnings			151.60	(227.48)
			1,416.50	1,037.42
14 BORROWINGS				
Secured				
Term Loan From Bank *			543.59	-
Unsecured				
Loan From Government			505.77	505.77
			1,049.36	505.77
14.1	* Loan amounting ` 587.47 Lacs (P.Y. ` Nil) from State Bank of India is secured against Plant & Machinery (Solar Plant) acquired under Surya Shakti Solar Finance Scheme.			
14.2	* Installments falling due in respect of all the above loans upto 31.03.2027 have been shown under "Short Term Borrowings" (Refer Note No 18)			
14.3	* Last installment due on 05.07.2035			

KANKNARRAH COMPANY LIMITED

CIN: L65110WB1900PLC000461

Notes to Financial Statements for the year ended 31st March, 2026

		(₹ in lacs.)	
		As at	As at
		31st March 2026	31st March 2025
15 PROVISIONS			
Provision for Land Revenue		4.73	4.73
		4.73	4.73
15.1	Provision for land revenue is relating to urban tax land from the year 1981-82 to 2020-21. Outflow including their timings and certainty would depend on the resolution of the related issue.		
16 DEFERRED TAX LIABILITIES			
On Depreciation		309.93	242.31
		309.93	242.31
17 OTHER NON CURRENT LIABILITIES			
Deferred Government Grant		9.94	19.06
Security Deposits		23.61	23.61
		33.55	42.66
18 BORROWINGS			
Term Loan *			
Secured			
From Bank		43.89	-
Loan Repayable on Demand #			
Secured			
Loan From Bank		313.45	1,341.38
Unsecured			
Loan From Related Parties		-	1,272.50
Loan From Others		2,418.00	2,555.00
		2,775.33	5,168.88
# (i) The company has taken Cash Credit facility from ICICI Bank Ltd (Limit - Fund Based Rs. 3000.00 Lakh (P.Y. Rs. 2000.00 Lakh) and Non Fund Based Rs. 1000.00 Lakhs.(P.Y. Rs. 1000.00 Lakh)) secured against Hypothecation of Property at Kankinarrah, Inventories, Book Debts, Fixed Deposits and other Current Assets.. Collateral security - Personal guarantee of Bhag Chand Jain(Managing Director), Mr. Giriraj Daga (Director), Collateral Security also includes Corporate Guarantee of M/s Florence Dealers Private Limited.			
* Refer Note No.14.2			
19 TRADE PAYABLES			
Trade Payables for goods and services*			
Dues of creditor to other than micro enterprises and small enterprises		278.12	875.52
Dues of creditors to micro enterprises and small enterprises		9.61	348.06
		287.73	1,223.57
* Refer Note No. 32 for Ageing			
20 OTHER FINANCIAL LIABILITIES			
Interest accrued and due on Sales Tax Loan**		479.43	479.43
Interest accrued and due on Secured Loan		0.10	4.73
Other Liabilities		3.70	3.70
		483.23	487.86
** Refer Note No. 37			
21 OTHER LIABILITIES			
Statutory Dues Payable			
Tax Deducted At Source		40.18	38.02
Provident & Pension Fund Payable		1.46	82.98
ESIC Payable		0.15	10.68
P.Tax Payable		0.07	2.07
Goods & Service Tax Payable		2.55	14.97
Advances Received from Customers		5.18	0.70
Employee Related Liability		16.35	197.29
Miscellaneous Payable		62.68	140.59
		128.61	487.29
22 PROVISIONS			
Provision for Employee Benefits			
Bonus		91.82	116.57
		91.82	116.57

KANKNARRAH COMPANY LIMITED

CIN: L65110WB1900PLC000461

Notes to Financial Statements for the year ended 31st March, 2026

		(₹ in lacs)	
		2025-26	2024-25
23	REVENUE FROM OPERATIONS		
	Sale of Products		
	Finished Goods	27,284.96	21,805.77
	Traded Goods	113.89	66.63
	Raw Material	247.54	1.19
	Other Operating Revenues		
	Reimbursed Freight and Other Charges	821.25	974.89
		28,467.64	22,848.47
24	<u>OTHER INCOME</u>		
	<u>Interest Income</u>		
	On Fixed Deposits	8.13	3.92
	On Security Deposits	-	8.37
	On Unsecured Loan	1.63	-
	On Income Tax Refund	1.44	3.09
	<u>Other Non Operating Income</u>		
	Rent	55.04	51.35
	Provision for Doubtful Debts	3.01	2.86
	Profit on Sale of Fixed Asset	50.38	1.57
	Scrap Sale	26.00	26.58
	Government Grants (Refer Note No. 16)	9.12	9.12
		154.74	106.85
25 (a)	<u>COST OF MATERIALS CONSUMED</u>		
	Inventory of raw material at the beginning of the year	439.64	615.50
	Add: Purchases	17,345.89	13,589.25
		17,785.53	14,204.75
	Inventory of raw material at the end of the year	40.19	439.64
		17,745.34	13,765.11
25 (b)	<u>PURCHASE OF TRADED GOODS</u>		
	Gunny Purchases	113.91	66.63
		113.91	66.63
25 (c)	<u>CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS</u>		
	<u>Inventories at the beginning of the year</u>		
	Traded Goods	-	-
	Finished goods	1,742.95	1,263.95
	Work -In- Progress	498.19	265.98
		2,241.15	1,529.92
	<u>Inventories at the end of the year</u>		
	Traded Goods	-	-
	Finished goods	272.48	1,742.95
	Work -In- Progress	195.45	498.19
		467.93	2,241.15
	Total changes in inventories of work-in-progress, stock-in-trade and finished goods	1,773.22	-711.22

KANKNARRAH COMPANY LIMITED

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Notes to Financial Statements for the year ended 31st March, 2026

		(₹ in lacs)	
		2025-26	2024-25
26	<u>EMPLOYEE BENEFITS EXPENSE</u>		
	Salaries, Wages and Bonus	4,257.49	4,761.87
	Contribution to Provident Funds and Others	251.72	328.08
	Gratuity Paid	80.94	134.91
	Staff Welfare Expenses	28.11	34.21
		4,618.25	5,259.07
27	<u>FINANCE COST</u>		
	<u>Interest Expenses</u>		
	On Bank Loan	51.66	26.64
	On L/C Charges	4.18	-
	On Bill Discounting Charges	2.63	-
	On Unsecured Loan	431.32	460.56
	Loan Processing Charges	14.13	11.60
		503.91	498.80
28	<u>DEPRECIATION AND AMORTIZATION EXPENSES</u>		
	Depreciation on Tangible Assets	305.83	282.57
		305.83	282.57
29	<u>OTHER EXPENSES</u>		
	<u>Manufacturing Expenses</u>		
	Contractual Expenses	119.28	-
	Stores, Spare Parts & Packing Materials Consumed	1,064.36	1,322.45
	Power & Fuel	766.60	860.37
	Repairs to Building & Machinery	7.04	7.40
	<u>Freight and transportation Charges</u>		
	Freight Charges	877.42	1,047.35
	Transportation Charges	49.39	41.05
	Total - A	2,884.08	3,278.61
	<u>Selling and Administration Expenses</u>		
	Commission , Brokerage & Discount	16.88	12.02
	Rates & Taxes	14.74	38.06
	Insurance	17.80	14.10
	<u>Auditors' Remuneration -</u>		
	<u>Statutory Auditors -</u>		
	For Audit	1.05	1.05
	For Tax Audit	0.15	0.15
	For Other Matter	0.47	-
	Director Sitting Fees	1.05	1.05
	Rent	16.68	16.68
	Security Charges	29.62	33.36
	Professional Charges	24.69	34.28
	Other Miscellaneous Expenses	58.33	95.17
	Total - B	181.46	245.92
	Total - (A + B)	3,065.54	3,524.53

KANKNARRAH COMPANY LIMITED

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Notes to Financial Statements for the year ended 31st March, 2026

		(₹ in lacs)	
		2025-26	2024-25
30	<u>OTHER COMPREHENSIVE INCOME</u>		
	Items that will not be reclassified to profit or loss	-	-
31	<u>Earning per Shares</u>		
	Nominal Value of Equity Shares (Rs.)	100.00	100.00
	Profit attributed to the Equity shareholders of the Company	379.07	-16.46
	Weighted average number of equity shares	3,23,227.00	3,23,227.00
	Basis and diluted earning per shares (Rs.)*	117.28	-5.09

*There are no dilutive equity shares in the Company.

KANKNARRAH COMPANY LIMITED

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Notes to Financial Statements for the year ended 31st March, 2026

NOTE - 32**i) Trade Payable Ageing Schedule**

Particulars	Outstanding for following periods from due date of payment				(₹ in Lacs)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	31.03.2026	31.03.2026	31.03.2026	31.03.2026	31.03.2026
i) MSME	9.54	-	-	-	9.54
ii) Others	272.55	0.07	0.07	5.50	278.19
iii) Disputed Dues - MSME	-	-	-	-	-
iv) Disputed Dues- Others	-	-	-	-	-

Particulars	Outstanding for following periods from due date of payment				(₹ in Lacs)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	31.03.2025	31.03.2025	31.03.2025	31.03.2025	31.03.2025
i) MSME	348.06	-	-	-	348.06
ii) Others	868.12	0.90	0.40	6.10	875.52
iii) Disputed Dues - MSME	-	-	-	-	-
iv) Disputed Dues- Others	-	-	-	-	-

NOTE - 33**Trade Receivable Ageing Schedule**

Particulars	Outstanding for following periods from due date of payment					(₹ in Lacs)
	Less than 6months	6months- 1 year	1-2 years	2-3 years	More than 3 years	Total
	31.03.2026	31.03.2026	31.03.2026	31.03.2026	31.03.2026	31.03.2026
i) Undisputed Trade Receivables - Considered good	144.95	-	-	-	-	144.95
ii) Undisputed Trade Receivables - significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade Receivables - Credit Impaired	-	0.02	-	46.46	39.24	85.72
iv) Disputed Trade Receivables - Considered good	-	-	-	-	-	-
v) Disputed Trade Receivables - significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-

Trade Receivable Ageing Schedule

Particulars	Outstanding for following periods from due date of payment					(₹ in Lacs)
	Less than 6months	6months- 1 year	1-2 years	2-3 years	More than 3 years	Total
	31.03.2025	31.03.2025	31.03.2025	31.03.2025	31.03.2025	31.03.2025
i) Undisputed Trade Receivables - Considered good	1,486.98	-	0.01	0.00	-	1,486.99
ii) Undisputed Trade Receivables - significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade Receivables - Credit Impaired	-	-	46.49	3.38	38.86	88.73
iv) Disputed Trade Receivables - Considered good	-	-	-	-	-	-
v) Disputed Trade Receivables - significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-

KANKNARRAH COMPANY LIMITED

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Notes to Financial Statements for the year ended 31st March, 2026

Note No. 34

Other Regulatory Information

- i) All the Title Deeds are held in the name of the company
- ii) The company has no Investment Property, therefore disclosure on Revaluation of Investment Property is not applicable
- iii) The company has not revalued its Property, Plant and Equipment (tangible and intangible) during the year.

iv) Loan or Advances to Related Parties

Type of Borrower	Amount of loan or advance in the nature of loan outstanding		Percentage to the total Loans and Advances	
	2025-2026	2024-2025	2025-2026	2024-2025
Promoters	NIL	NIL	0.00%	0.00%
Directors	NIL	NIL	0.00%	0.00%
KMPs	NIL	NIL	0.00%	0.00%
Related Party	NIL	NIL	0.00%	0.00%

v) Detail of Capital Work-in-Progress is as below-

a	CWIP	Amount in CWIP for a period of 2025-26				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
	Projects in progress	-	-	-	-	-

b	CWIP	Amount in CWIP for a period of 2024-25				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
	Projects in progress	-	-	-	-	-

- vi) The Company Doesn't have any Intangible Asset under Development during the Year.
- vii) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- viii) The company has taken Cash Credit facility from ICICI Bank Ltd (Limit - Fund Based Rs.3000.00 Lakh and Non Fund Based Rs. 1000.00 Lakhs.) secured against Hypothecation of Property at Kankinarrah, Inventories, Book Debts, Fixed Deposits and other Current Assets.. Collateral security - Personal guarantee of Bhag Chand Jain(Managing Director), Mr. Giriraj Daga (Director), Mr. Mukul Jain (Director) and Ms. Shreya Gangawat (Director). Collateral Security also includes Corporate Guarantee of M/s Florence Dealers Private Limited. In the Prev. Year 2024-2025 the company has taken Term Loan Facility from State Bank of India (Limit: ` 625 Lakh))
- ix) The Company is not a declared wilful defaulter by any borrowings from bank or financial institution or other lender .
- x) The Company do not have any transactions with struck off companies.
- xi) The Company have satisfaction which is yet to be registered with ROC beyond the statutory period.
- xii) The Company do not have any subsidiary company as defined under clause (87) of section 2 of the Companies Act 2013.
- xiii) No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- xiv) 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
- xv) 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.
- xvi) The Company have not any 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.
- xvii) The company is not covered under section 135 of The Companies Act, 2013.
- xviii) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

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Notes to Financial Statements for the year ended 31st March, 2026

Notes to Financial Statements for the year ended 31st March, 2026

(₹ in Lacs)

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KANKNARRAH COMPANY LIMITED

Notes to the Financial Statements for the year ended March 31, 2026

36. Employee Benefits – Gratuity and Leave encashment

- (i) The liability for gratuities payable to employees in accordance with the Payment of Gratuities Act as on 31st March, 2026 and for the year has not actuarially determined and accounted for in accordance with applicable accounting standard.
- (ii) Gratuity liability for the employees retired during the year and up to 31st March, 2026 amounting to Rs. 1747.71 Lacs (Previous year Rs. 1642.41 Lacs) has not been provided in these financial statements.
- (iii) Gratuities paid to the employees during the year amounting to Rs. 80.94 Lacs (Previous year Rs 134.91 Lacs) has been charged to Statement of Profit & Loss.
- (iv) Interest payable on account of delayed payment of gratuities has not been ascertained and provided for in these financial statements.

37. Interest on unsecured loan from Government of West Bengal

In the sanctioned scheme of the BIFR (CASE NO. 30/88 IN RE: M/S. KANKNARRAH COMPANY LIMITED) dated 5th March, 2007, the Board has recommended Govt. of West Bengal to consider waiver of interest on Sales Tax Loan overdue upto cut – off date i.e. 31st March, 2006. The management has approached Govt. of WB for interest waiver upto cutoff date, the outcome of which is pending. Interest and penalty from 1st April, 2007 on Sales Tax Loan received from Govt. of West Bengal has not been provided and also not ascertained.

With effect from 1st December, 2016, the matter will be taken up by NCLT in due course.

38. Segment Reporting

As Company's business activity falls within a single primary business segment viz. Jute Goods, the disclosure requirements of IND – AS 108 "Segment Reporting" are not applicable in respect of business segment.

39. Related Party disclosures (IND AS -24)

Related party transaction as envisaged in IND AS -24 pertaining to Related Party Disclosure are given below:-

- a) Key Management Personnel: Mr. B.C. Jain, Chairman-cum-Managing Director
- b) Directors: Mr. G. Daga
- c) Independent Directors: Mukul Jain and Shreya Gangawat.
- d) Chief Financial Officer – Jugal Kishore Bagri
- e) Detail of Transaction and Outstanding Balances:

Name of the Party	Relationship	Nature of Transaction	Volume of Transaction		Outstanding as on	
			25-26	24-25	31.03.2026	31.03.2025
B.C. Jain	KMP	Remuneration	42.37	38.82	--	--
Jugal Kishore Bagri	KMP	Remuneration	06.48	06.98	--	--
Kavita Bagri	(Wife of Jugal Kishore Bagri)	Remuneration	03.54	03.29	--	--

40. Value of imports (CIF basis)

PARTICULARS	As at 31st March, 2026	As at 31st March, 2025
Raw Jute	102.87	28.54

KANKNARRAH COMPANY LIMITED

Notes to the Financial Statements for the year ended March 31, 2026

41. Contingent Liabilities

(In Lacs)

PARTICULARS	As at 31 st March, 2026	As at 31 st March, 2025
Employees State Insurance (Court Cases)	52.00	52.00
Bank Guarantee Given to CESC on pledge of fixed deposit of another company	246.20	246.20
Excise Duty matters under appeal	22.24	22.24
Corporate Guarantee against Loan Taken by Tepcon International India Limited and Kaliyaganj Agro Trading Pvt Ltd.	3850.00	2500.00

- a) Various Appeals have been filed by the company before the appropriate authorities against various demands for Excise Duty, ESIC. Pending decision in the appeals liabilities for demands have not been recognized.

42. Deferred Tax Asset/Liability

Management of the company has decided to recognize Deferred Tax Liability during the year 2025-2026 as the unabsorbed depreciation and carried forward business losses available for set off under the Income Tax Act, 1961 are no more available to the company. Hence, deferred tax liability of Rs. 309.93 (Prev. Year 242.31 Lacs) has been recognized in financial statement as per IND AS -12.

43. Earning per share

PARTICULARS	As at 31 st March, 2026	As at 31 st March, 2025
Net Profit after Tax as per Statement of Profit & Loss	379.07	-16.46
Weighted average number of Ordinary Shares	3,23,227	3,23,227
Basic and diluted earnings per share in ₹	117.28	-5.09
Face value per Ordinary Share in ₹	100	100

44. Value of indigenous/imported raw materials, spare parts and components consumed

Raw Materials	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
	M.T	M.T	Amount (In Lacs)	Amount (In Lacs)	%	%
Indigenous	21014.94	23597.75	17394.93	13735.38	99.41	99.79
Import	144.28	39.67	102.87	28.54	00.59	00.21
Total	21159.22	23637.42	17497.80	13763.92	100.00	100.00
Spare & Components	--	--	1064.36	1322.45	100.00	100.00

Note: Consumption of Raw Material is after adjustment of cost of raw jute sold Rs. 247.54 (Previous Year Rs. 1.19 Lacs)

KANKNARRAH COMPANY LIMITED

CIN: L65110WB1900PLC000461

Notes to Financial Statements for the year ended 31st March, 2026**Note No. 45****Quantitative Information****Detail of Manufactured / Assembled Finished Goods**

A. Goods Manufactured -Jute Goods

B. Licensed Capacity -55310 MT

C. Installed Capacity- 55310 MT

D. Particulars of Turnover and Stock

Class of Goods	Opening Stock (Qt in MT)	Shortage (Qt in MT)	Production (Qt in MT)	Closing Stock (Qt in MT)	SALES	
					QT (In MT)	Amount in Lacs
Jute (2025-2026)	1,576.53	-	21,042.17	196.60	22,422.10	27,284.96
Jute (2024-2025)	1,261.52	-	22,009.84	1,576.53	21,694.83	21,805.77

D. Raw Material Consumed (Indigenous)

Class Of Item	2025-26		2024-25	
	(Qty In MT)	Amount (Rs. Lakhs)	(Qty In MT)	Amount (Rs. Lakhs)
Jute	21,014.94	17,394.93	23,597.75	13,735.38
Stores		1,064.36		1,322.45
Total	21,014.94	18,459.29	23,597.75	15,057.83

E. Raw Material Consumed (Import)

Class Of Item	2025-26		2024-25	
	(Qty In MT)	Amount (Rs. Lakhs)	(Qty In MT)	Amount (Rs. Lakhs)
Jute	144.28	102.87	39.67	28.54
Total	144.28	102.87	39.67	28.54

F. Work In Progress

Class Of Item	2025-26		2024-25	
	(Qty In MT)	Amount (Rs. Lakhs)	(Qty In MT)	Amount (Rs. Lakhs)
Jute	203.34	195.45	668.17	498.19
Total	203.34	195.45	668.17	498.19

KANKNARRAH COMPANY LIMITED

Notes to the Financial Statements for the year ended March 31, 2026

46. Amount due to small scale industrial undertakings/suppliers covered under the MSME Act, 2006:

Sl No.	PARTICULARS	As at 31st March, 2026	As at 31st March, 2025
1	<u>Principal amount due</u> to suppliers registered under the MSMED Act and remaining unpaid as at year end	9.61	348.06
2	<u>Interest due</u> to suppliers registered under the MSMED Act and remaining unpaid as at year end	--	--
3	<u>Principal amounts paid</u> to suppliers registered under the MSMED Act, beyond the appointed day during the year	--	--
4	<u>Interest paid</u> , other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	--	--
5	<u>Interest paid</u> , under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	--	--
6	<u>Interest due and payable</u> towards suppliers registered under MSMED Act, for payments already made	--	--
7	Further <u>interest remaining due and payable</u> for earlier years	--	--

47. Previous year figures

The figures for the previous year have been rearranged and/or regrouped wherever considered necessary.

The accompanying notes are an integral part of the Financial Statements
As per our report of even date.

For Ranjit Jain & Co.

Chartered Accountants

Firm Registration No. 322505E

CA Rajiv Jain

(Partner)

Membership No. 061650

UDIN- 26061650TIURVO9988

Place: Kolkata

Dated: The 29th Day of May, 2026

For and on behalf of the Board of Directors

Bhag Chand Jain

(Managing Director)

DIN: 00337816

Giriraj Daga

(Director)

DIN: 05326118

Jugal Kishore Bagri

(CFO)

Kanknarrah Company Limited

Regd office: 29/1, Stephen House, 2nd Floor, 4, B. B. D. Bagh (East),
Kolkata- 700001, West Bengal
CIN: L65110WB1900PLC000461

ATTENDANCE SLIP

I certify that I am a registered shareholder/ proxy for the registered shareholder of the company and hereby record my presence at the 217th Annual General Meeting of the company to be held at **Subarna Banik Samaj Hall, 47, Ganesh Chandra Avenue, Kolkata- 700013** on Wednesday, the **23rd September, 2026** at 12.00 Noon.

.....

Full name of the shareholder
(in Block Letters)

.....

Signature

Folio No.

Full Name of the Proxy
(in Block Letters)

.....

Signature

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L65110WB1900PLC000461

Name of the Company : **Kanknarrah Company Limited**
Registered office : 29/1, Stephen House, 2nd Floor, 4, B. B. D. Bagh (East), Kolkata- 700001
Name of the Member(s) :
Registered address :
E-mail Id :
Folio No/ Clint Id :
DP ID : Not Applicable

I/ We being the member of **Kanknarrah Company Limited**, holding shares, hereby appoint

1. Name:

Address:

E-mail Id:

Signature: or failing him as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at **217th Annual General Meeting** of members of the Company, to be held at Subarna Banik Samaj Hall, 47, Ganesh Chanda Avenue, Kolkata- 700013, on **23rd September, 2026** at **12:00 noon** and any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. Adoption of Audited Financial Statement & Report of the Board of Directors and Auditors thereon for the financial year 31.03.2026.
2. To appoint Director in place of Shri Giriraj Daga (DIN: 05326118) who is liable to retire by rotation and being eligible offer himself for reappointment.
3. To appoint M/s. Ranjit Jain, Chartered Accountant as Statutory Auditors and to fix their remuneration.
4. To appoint Shri Bhag Chand Jain as Chairman cum Managing Director for period of 3 years w.e.f 01.06.2026 with remuneration.

Affix
Revenue
Stamp

Signed this 14th day of August, 2026

Signature of Shareholder

Signature of Proxy Holder

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at least before 48 hours from the commencement of the Meeting.