

KAVIT INDUSTRIES LTD.

(Formerly Known as Atreya Petrochem Ltd.)

CIN No. L23100GJ1990PLC014692



September 5, 2019

To,
The Manager
Department of Corporate Services
BSE Ltd.
P.J. Tower,
Dalal Street,
Fort Mumbai – 400 001
Script Code: 524444

Dear Sir/Madam,

Sub.-: Submission of Annual Report of the Company for the financial year ended 31st March, 2019

In accordance with the provision of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of Annual Report of the Company for the financial year ended 31st March, 2019.

Kindly take the same on your records and acknowledge the receipt.

Thanking You

Yours Truly,
For Kavit Industries Limited

Harish Punwani
Company secretary
M.No:A50950



ANNUAL REPORT
Of
KAVIT INDUSTRIES
LIMITED

YEAR 2018-2019

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KAVIT INDUSTRIES LIMITED
(CIN: L23100GJ1990PLC014692)

Registered Office: Village, Tundao, Ta. Savli, Vadodara – 391 775, Gujarat

E-mail: kavitindustrieslimited@gmail.com, info@kavitindustries.in

| Website: www.kavitindustries.in

Tel No.: 0265-2361100 / 0265-2362200 | Fax: 0265-2361551

NOTICE

NOTICE is hereby given that the Twenty Eighth Annual General Meeting of the Members of **KAVIT INDUSTRIES LIMITED** (formally known as Atreya Petrochem Limited) will be held on 28th September, 2019 at 09:00 A.M. at its Registered Office situated at Village Tundao, Taluka: Savli, Vadodara -391775, Gujarat to transact the following Business:

ORDINARY BUSINESSES:

1. To receive, consider and adopt the Audited Financial Statements including Audited Balance Sheet, Statement of Profit and Loss account and Cash Flow Statement for the year ended March 31, 2019 along with the Reports of the Auditors' and Boards' thereon.
2. To appoint a Director in place of Mr. Jayesh Raichand Thakkar (DIN- 01631093), who retires by rotation and, being eligible, offers himself for reappointment.
3. To consider and approve the appointment of Statutory Auditors of the Company to hold office for a period of Five years until the conclusion of the 34th Annual General Meeting and to fix their remuneration and to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, (including any re-enactment or modification thereto), and such other applicable provisions, if any, M/s. M Sahu & Co., Chartered Accountants, Vadodara (FRN:130001W) be and are hereby appointed as the Statutory Auditors of the Company to fill the casual vacancy caused due to resignation of M/s. Sheetal Samriya & Associates (FRN:011478C), at a remuneration as may be mutually agreed to, between the Board of Directors and M/s. M Sahu & Co, plus applicable taxes, out-of-pocket expenses, travelling and other expenses, in connection with the work of audit to be carried out by them, to hold office of Statutory Auditor till the conclusion of the Thirty Third Annual General Meeting subject to ratification of appointment by the members in every Annual General Meeting.”

SPECIAL BUSINESSES:

Item No. 4 – Appointment of Statutory Auditors to fill up Casual Vacancy caused by resignation of auditors

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

“RESOLVED THAT pursuant to the provisions of Section 139(8) and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), as recommended by the Audit Committee and appointed by the Board of Directors of the company, M/s. M Sahu & Co., Chartered Accountants (FRN:130001W), be and are hereby appointed as Statutory Auditors of the Company to fill up the casual vacancy caused by the resignation of M/s. Sheetal Samriya & Associates Chartered Accountants (FRN:011478C), and that M/s. M Sahu & Co., shall hold the office of the Statutory Auditors of the Company until the conclusion of the ensuing Annual General Meeting and that they shall conduct the Statutory Audit on such remuneration as may be fixed by the Board of Directors in consultation with them.”

Item No. 5 – Appointment of Shri Naresh Arvindbhai Patel (DIN: 06736529) as a Director of the company

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

“RESOLVED THAT Mr. Naresh Arvindbhai Patel (DIN: 06736529), who was appointed by the Board of Directors as an Additional Director of the Company effective from 1st July, 2018 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 (**“Act”**) and the Articles of Association of the Company and who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation, pursuant to provisions of sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the rules made there under, if any, [including any statutory modification(s) or re-enactment thereof for the time being in force].”

“RESOLVED FURTHER THAT any Director of the Company and / or the Company Secretary be and are hereby severally authorized to do all the acts and deeds necessary and expedient for the purpose.”

Item No. 6 – Appointment of Shri Hasmukh Dhanjibhai Thakkar (DIN: 07183270) as a Director of the company

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

“RESOLVED THAT Mr. Hasmukh Dhanjibhai Thakkar (DIN: 07183270), who was appointed by the Board of Directors as an Additional Director of the Company effective from 1st July, 2018 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 (**“Act”**) and the Articles of Association of the Company and who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section

160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation, pursuant to provisions of sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the rules made there under, if any, [including any statutory modification(s) or re-enactment thereof for the time being in force].”

“RESOLVED FURTHER THAT any Director of the Company and / or the Company Secretary be and are hereby severally authorized to do all the acts and deeds necessary and expedient for the purpose.”

Item No. 7 – Appointment of Shri ChandreshKumar Vishnubhai Kahar (DIN: 07318098) as a Director of the company

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

“RESOLVED THAT Mr. ChandreshKumar Vishnubhai Kahar (DIN: 07318098), who was appointed by the Board of Directors as an Additional Director of the Company effective from 1st July, 2018 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 (**“Act”**) and the Articles of Association of the Company and who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation, pursuant to provisions of sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the rules made there under, if any, [including any statutory modification(s) or re-enactment thereof for the time being in force].”

“RESOLVED FURTHER THAT any Director of the Company and / or the Company Secretary be and are hereby severally authorized to do all the acts and deeds necessary and expedient for the purpose.”

Item No. 8 – Appointment of Shri Naresh Arvindbhai Patel (DIN: 06736529) as an Independent Director of the company

To consider and if thought fit, to pass, the following resolution as **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Qualifications of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“the Listing Regulations”**), Shri Naresh Arvindbhai Patel (DIN: 06736529) who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act read with Regulation 16(1)(b) of the Listing Regulations and who is eligible for appointment, and in respect of whom the Company has received requisite notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is, hereby appointed as a Non-Executive Independent Director of the Company for a period of five (5) years, with effect from 28th September, 2019 to 26th September, 2022.”

“RESOLVED FURTHER THAT any of the Directors and Company Secretary of the Company, be and are, hereby jointly and severally authorized to do all such acts, deeds and things as may be necessary and expedient to give effect to the aforesaid resolution/s.”

Item No. 9 – Appointment of Shri Hasmukh Dhanjibhai Thakkar (DIN: 07183270) as an Independent Director of the Company

To consider and if thought fit, to pass, the following resolution as **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Qualifications of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”), Shri Hasmukh Dhanjibhai Thakkar (DIN: 07183270) who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act read with Regulation 16(1)(b) of the Listing Regulations and who is eligible for appointment , and in respect of whom the Company has received requisite notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is, hereby appointed as a Non-Executive Independent Director of the Company for a period of five (5) years, with effect from 28th September, 2019 to 26th September, 2022.”

“RESOLVED FURTHER THAT any of the Directors and Company Secretary of the Company, be and are, hereby jointly and severally authorized to do all such acts, deeds and things as may be necessary and expedient to give effect to the aforesaid resolution/s.”

Item No. 10 – Appointment of Shri ChandreshKumar Vishnubhai Kahar (DIN: 07318098) as an Independent Director of the Company

To consider and if thought fit, to pass, the following resolution as **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Qualifications of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”), Shri ChandreshKumar Vishnubhai Kahar (DIN: 07318098) who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act read with Regulation 16(1)(b) of the Listing Regulations and who is eligible for appointment , and in respect of whom the Company has received requisite notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is, hereby appointed as a Non-Executive Independent Director of the Company for a period of five (5) years, with effect from 28th September, 2019 to 26th September, 2022.”

“RESOLVED FURTHER THAT any of the Directors and Company Secretary of the Company, be and are, hereby jointly and severally authorized to do all such acts, deeds and things as may be necessary and expedient to give effect to the aforesaid resolution/s.”

Item No. 11 – Re-appointment of Shri Jayesh Raichand Thakkar (DIN: 01631093) as a Managing Director of the Company

To consider and if thought fit, to pass, the following resolution as **Special Resolution**:

“RESOLVED THAT, pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to such approval from the Central Government or any other authority, as may be required, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Jayesh Raichandbhai Thakkar as the ‘Managing Director’ of the Company, who will accordingly be not liable to retire by rotation, whose terms of office shall considered effective from 29th December, 2019 and will expire on 28th December, 2022, on the terms and conditions, including the terms of remuneration as set out in his letter of appointment given to him laid before the meeting for the purpose of inspection and briefed in Explanatory Statement annexed to this Notice (“Terms of Remuneration”), with liberty to the Board of the Company to alter and vary the Terms of Remuneration within the overall limits prescribed under Section 197 or Schedule V of the Companies Act, 2013.

Remuneration:

1. Basic salary: Rs. 150,000/- p.m. and Board empowered to determine the remuneration from time to time.
2. Perquisites and fixed allowances such as Paid day, Bonus, leave Encashment, provident fund, gratuity and other allowances as may be approved by the Board subject to prevailing policy of the Company.

RESOLVED FURTHER THAT, notwithstanding anything to the contrary herein contained where in any financial year during the currency of tenure of Mr. Jayeshbhai Thakkar the Company has no profits or its profits are inadequate, the Company will pay the remuneration by way of salary, perquisites and allowances as may be fixed by the Board (which term shall be deemed to include the Nomination & Remuneration Committee), subject to compliance with the applicable provisions of Schedule V of the Act and, if and to the extent necessary, with the approval of the Central Government.

RESOLVED FURTHER THAT, the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

Item No. 12 – Amendment of the Object Clause of the Company

To consider and if thought fit, to pass, the following resolution as **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of section 13 and other applicable provisions if any, of the Companies Act, 2013, read with other applicable rules, if any, of the Companies (Incorporation) Rules, 2014 consent, be and is, hereby accorded to alteration of the Memorandum of Association of the Company by way of insertion of new sub clause 4 & 5 to clause III A (Main Object clause) of the Memorandum of Association as follows:

4(i) To carry on in India or abroad the business of the entertainment in all respects including to establish, purchase, operate or otherwise acquire either as a going concern or to construct run and manage all kinds of cinematograph theatres, multiplex theatres and other digital theatres for hiring out or exhibiting cinema films, video films for staging dramas, dances, musical & other entertainment and educational programmes or other cultural programmes and to produce, direct, promote, manipulate, process, prepare, alter, develop, sponsor, expose, edit, exhibit, display, print, reprint, convert, duplicate, buy, sell, market, run, import, export and to act as an agent, distributor, copyright owners, lab owners, producers, directors, distributors, agents of all kinds of cine films, motion pictures, feature films, short films, promotional films, news and documentary films, T.V., Commercials, T.V. Serials, Government films, ad-films, animation films, music software, music albums, multimedia, interactive, T.V. & video, all other kinds of films, serials, internet on any other form of audio, visual, electronic, satellite and other means and mode of communication for commercial/non-commercial/private/public exhibition, video cassettes, raw films, positive, negative, videos, records, television software, music cassettes, film cassettes, raw films, positive, negative, videos, records, television software, music cassettes, compact discs, laser discs, digital versatile discs, tapes, sound equipments, discs, albums in different languages and to make all types of presentation items in connection with entertainment and multimedia including animation for all purpose and to carry on business of managing theatre property, hiring it.

(ii) To carry on the business to produce, treat, process, prepare, alter, develop, edit, exhibit, make, remake, display, print, convert, duplicate, finish, run, import, export cine films, TV serials, advertising films, telefilms, documents etc; and to act as an agent, broker, distributor, proprietor, owners, of copy rights, theatres, cinema halls, dubbing rights, cinema studio and film processing owners and to do all other incidental acts for the attainment of the aforesaid objects of the company.

(5) To carry on in India or elsewhere the business to manufacture, buy, sell, process, convert, design, trade, act as an agent and otherwise deal in all respects in all kinds of jewelleryes, bullion, silver, gold, precious, metals and any other metal to act in all capacities including as a goldsmith, silversmith, jewellers, gem merchant, seller, buyer, importer, exporter, trader and any.

**By Order of the Board of Directors
For KavIt Industries Limited**

**Date : 14.8.2019
Place : Vadodara**

**SD/-
Harish G. Punwani
Company Secretary
(Membership no. A50950)**

Name of the Company:

Kavit Industries Limited (formally known as
Atreya Petrochem Limited)

CIN:

L23100GJ1990PLC014692

Email ID: kavitindustrieslimited@gmail.com
info@kavitindustrieslimited@gmail.com

Registered Office:

Village Tundao, Taluka: Savli,
Vadodara - 391775.

Website: <http://kavitindustries.in/>

Phone No.: 0265-2362200, 2361100

FAX: 0265-2361551

NOTES:

1. The Explanatory Statement pursuant to section 102(1) of the Companies Act 2013 in respect of Special Business under Item no. 4, 5, 6, 7, 8, 9, 10, 11 & 12 as stated above is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ('THE MEETING') IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
3. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of voting rights may appoint a single person as a proxy and such person shall not act as a proxy for other member.
4. Corporate Member Intending to send their authorized representative to attend the Annual General Meeting, pursuant to section 113 of Companies Act, 2013, requested to send to the company, a certified copy of the relevant Board Resolution together with the specimen signature of those representatives authorized under the said resolution to attend and cast vote on their behalf at the meeting.
5. Members, proxies and authorized representatives are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
7. **Pursuant to SEBI notification Number SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018, a requests for effecting transfer of securities shall not be processed w.e.f. December 5, 2018 unless the securities are held in the demat form with a depository, however, in case of transmission or transposition of securities, the same will be proceeds physically also.**
8. The Register of Members and Share Transfer Books of the Company will remain closed from **Monday, 23rd September, 2019 to Saturday, 28th September, 2019 (both days inclusive).**
9. Request for additional information, if require, in case you intended to raise any queries in forthcoming Annual General meeting, you are requested to forward the same at least 10 days in advance of the meeting to Mr. Harish Punwani, Company Secretary and Compliance Officer so that the information called for can be made available at the meeting and the same may be attended appropriate to your satisfaction.

10. The annual report duly circulated to the members of the company, is also available on the company's website www.kavitindustries.in

11. Voting through electronic means

In compliance with the provisions of Section 108 of the Companies Act, 2013 and read with the Companies (Management & Administration) amendments Rules, 2018, Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is providing facility to its members to exercise their voting rights at the Annual General Meeting (AGM) by electronic means on all or any of the businesses specified in the accompanying Notice.

The instructions for shareholders voting electronically are as under:

- (i) The e-voting period begins on Wednesday, 25th September, 2019 at 09:00 AM and ends on Friday, 27th September, 2019 at 05:00 PM. During these period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Saturday, 21st September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iii) Click on Shareholders/ members
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding Shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">▪ Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Card.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records in order to login.

Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> ▪ If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).
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- (viii) After entering these details appropriately, click on **“SUBMIT”** tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant “Kavit Industries Limited” on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which

they wish to vote on.

- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
12. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com
 13. **M/s M. Buha & Co., Practicing Company Secretaries**, has been appointed as a **Scrutinizer** to scrutinize the e-voting and voting process at the AGM in a fair and transparent manner.
 14. Voting will be provided to the members through e-voting or at the venue of the meeting. Member can opt for only one mode of voting i.e. either through e-voting or in physical form. If a Member casts his/her vote by both modes, then voting done through e-voting shall prevail and the vote by ballot shall be treated as invalid.
 15. All the documents referred to in the accompanying notice and explanatory statements are open for inspection at the registered office of the company on all on all working days of the company between 10:00 a.m. to 1:00 p.m upto the date of Annual General Meeting except Sundays, Saturday and public holidays.
 16. Members/ proxies are requested to bring their attendance slip duly filled in along with their copy of Annual Report to the meeting.

Explanatory Statement pursuant to section 102 of the companies act, 2013 and section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 is annexed hereto:

Item No. 4:

Item No. 4 – Appointment of Statutory Auditors to fill up Casual Vacancy

M/s. Sheetal Samriya & Associates Chartered Accountants (FRN:011478C), of the Company has resigned from the office of Statutory Auditors of the Company by their resignation letter dated 4th March, 2019, & hence, creating casual vacancy in the office of Statutory Auditors. Therefore, the Board, on the recommendation of the Audit Committee, have appointed M/s. M Sahu & Co., Chartered Accountants (FRN:130001W), effective from 4th March, 2019, subject to approval of the shareholders in General Meeting, having found high level of professional integrity and service levels, with competent team with wide experience, expertise in various areas like Statutory Audit, Internal Audit, Corporate Laws, Indirect Tax Consultancy, Direct Tax, FEMA matters, etc. and has well experienced Partners, Chartered Accountants, Employees, Staff, etc. to deliver the results in utmost professional manner, pursuant to applicable provisions

of the Companies Act, 2013. As per the said provisions, such appointment shall also require approval of shareholders in General Meeting.

In view of the same, it is recommended to pass necessary resolution by way of ordinary resolution to appoint M/s. M Sahu & Co., Chartered Accountants (FRN: 130001W), to fill up the casual caused by the resignation of the Statutory Auditors of the Company, to hold office as such till the conclusion of the ensuing Annual General Meeting, i.e. this Annual General Meeting, on remuneration as may be fixed by Board of Directors of Company in consultation with them.

A copy of the resignation tendered by the Old Auditors and necessary consent / certificate of eligibility received from M/s. M Sahu & Co., Chartered Accountants (FRN:130001W), (New Auditors), as referred elsewhere are available for inspection to the members till the date of the meeting during business hours.

Your Directors recommend and seek your approval to the resolution, as appearing in item no. 4 of the accompanying notice, by way of Ordinary Resolution.

Neither any of the Directors / Key Managerial Personnel of the Company nor any of their relative(s) shall be deemed to be concerned or interested, financially or otherwise, in the resolution set out at item no. 4 of the notice.

Item No. 5:

To consider appointment of Mr. Naresh Arvindbhai Patel (DIN: 06736529) as an Independent Director. Mr. Naresh Arvindbhai Patel was appointed as an Additional Director, w.e.f. 1st July, 2018. In view of his willingness to be appointed as an Independent Director for a period of five (3) years the Nomination and Remuneration Committee and the Board of Directors, at their respective meetings held on 14th August, 2019, have recommended his appointment for a period of five (3) years from 28th September, 2019 to 26th September, 2022.

The Company has received from Mr. Naresh Arvindbhai Patel (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and (ii) an intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under Section 164(2), (iii) Certificate of Independence under Section 149(6) of Companies Act, 2013 and other applicable provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The profile and specific areas of expertise of Mr. Naresh Arvindbhai Patel are provided in the Corporate Governance Report.

In the opinion of the Board, he fulfills the conditions specified in the Companies Act, 2013 and rules made there under for her appointment as a Non-Executive Independent Director of the Company and is independent of the management. The copy of the draft letter for his appointment as a Non-Executive Independent Director would be available for inspection by the members at the Registered Office of the Company on any working day of the company,

excluding Saturdays, Sundays and Public Holidays between 3:00 p.m. to 5:00 p.m. upto the date of the Annual General Meeting.

Mr. Naresh Arvindbhai Patel does not hold any Equity Shares of the Company. Her brief profile is available in Corporate Governance Report / this notice of Annual General Meeting.

Accordingly, your Directors recommend and seek your approval to the resolution as set out in item no.5 of the accompanying notice by way of Special Resolution.

Neither any of the Directors /Key Managerial Personnel of the Company nor any of their relative(s), except Mr. Naresh Arvindbhai Patel shall be deemed to be concerned or interested, financially or otherwise, in the resolution as set out at item no. 5 of the notice.

Item No. 6:

To consider appointment of Mr.Hasmukh Dhanjibhai Thakkar (DIN: 07183270) as an Independent Director. Mr.Hasmukh Dhanjibhai Thakkar was appointed as an Additional Director, w.e.f. 1st July, 2018. In view of his willingness to be appointed as an Independent Director for a period of five (3) years the Nomination and Remuneration Committee and the Board of Directors, at their respective meetings held on 14th August, 2019, have recommended his appointment for a period of five (3) years from 28th September, 2019 to 26th September, 2022.

The Company has received from Mr.Hasmukh Dhanjibhai Thakkar (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and (ii) an intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under Section 164(2), (iii) Certificate of Independence under Section 149(6) of Companies Act, 2013 and other applicable provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The profile and specific areas of expertise of Mr.Hasmukh Dhanjibhai Thakkar are provided in the Corporate Governance Report.

In the opinion of the Board, he fulfills the conditions specified in the Companies Act, 2013 and rules made there under for her appointment as a Non-Executive Independent Director of the Company and is independent of the management. The copy of the draft letter for his appointment as a Non-Executive Independent Director would be available for inspection by the members at the Registered Office of the Company on any working day of the company, excluding Saturdays, Sundays and Public Holidays between 3:00 p.m. to 5:00 p.m. upto the date of the Annual General Meeting.

Mr. Hasmukh Dhanjibhai Thakkar does not hold any Equity Shares of the Company. Her brief profile is available in Corporate Governance Report / this notice of Annual General Meeting.

Accordingly, your Directors recommend and seek your approval to the resolution as set out in item no.6 of the accompanying notice by way of Special Resolution.

Neither any of the Directors /Key Managerial Personnel of the Company nor any of their relative(s), except Mr. Naresh Arvindbhai Patel shall be deemed to be concerned or interested, financially or otherwise, in the resolution as set out at item no. 6 of the notice.

Item No. 7:

To consider appointment of Mr.ChandreshKumar Vishnubhai Kahar (DIN: 07318098) as an Independent Director. Mr.ChandreshKumar Vishnubhai Kahar was appointed as an Additional Director, w.e.f. 1st July, 2018. In view of his willingness to be appointed as an Independent Director for a period of five (3) years the Nomination and Remuneration Committee and the Board of Directors, at their respective meetings held on 14th August, 2019, have recommended his appointment for a period of five (3) years from 28th September, 2019 to 26th September, 2022.

The Company has received from Mr.ChandreshKumar Vishnubhai Kahar (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and (ii) an intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under Section 164(2), (iii) Certificate of Independence under Section 149(6) of Companies Act, 2013 and other applicable provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The profile and specific areas of expertise of Mr.ChandreshKumar Vishnubhai Kahar are provided in the Corporate Governance Report.

In the opinion of the Board, he fulfills the conditions specified in the Companies Act, 2013 and rules made there under for her appointment as a Non-Executive Independent Director of the Company and is independent of the management. The copy of the draft letter for his appointment as a Non-Executive Independent Director would be available for inspection by the members at the Registered Office of the Company on any working day of the company, excluding Saturdays, Sundays and Public Holidays between 3:00 p.m. to 5:00 p.m. upto the date of the Annual General Meeting.

Mr.ChandreshKumar Vishnubhai Kahar does not hold any Equity Shares of the Company. Her brief profile is available in Corporate Governance Report / this notice of Annual General Meeting.

Accordingly, your Directors recommend and seek your approval to the resolution as set out in item no.7 of the accompanying notice by way of Special Resolution.

Neither any of the Directors /Key Managerial Personnel of the Company nor any of their relative(s), except Mr. ChandreshKumar Vishnubhai Kahar shall be deemed to be concerned or interested, financially or otherwise, in the resolution as set out at item no. 7 of the notice.

Item No. 11:

Mr. Jayesh Raichandbhai Thakkar continued as Managing Director of the Company since 28th December, 2011 and putting their dedicated efforts for the betterment of the Company.

While considering academics facet, Mr. Jayesh Raichandbhai Thakkar is a Commerce Graduate having around 25 years of experience in various industries. He is associated with the Company since year 2011. He has attained wide range of expertise and resultant the Company is performing well even in slack market conditions.

The approval of the members is being sought to the terms, conditions and stipulations for the appointment of Mr. Jayeshbhai Thakkar as Managing Director and the remuneration payable to him. The terms and conditions proposed are in line with the remuneration package that is necessary to continue to encourage good professional managers with a sound career record to important position such as that occupied by them.

The material terms of re-appointment and remuneration as contained in the letter of appointment are given below:

Terms of re-appointment:

Mr. Jayeshbhai Thakkar shall re-appoint as Managing Director w.e.f. 29th December, 2019 till the period end on 28th December, 2022.

Terms of Remuneration:

Monthly Remuneration by way of salary, dearness allowance, perquisites and other allowances not exceeding of Rs. 150,000/- (Rupees One Lakh Fifty Thousand only) per month subject to Section 197 and Schedule V of the Companies Act, 2013 read with applicable provisions and rule(s) framed there under, however, the Board may, at any time, revise the salary and other terms & conditions for appointment in line with referred provisions of the Act.

Perquisites:

- i) Contribution of provided fund, superannuation fund or annuity fund to the extent singly or put together are not taxable under the Income-tax Act, 1961;
- ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service;
- iii) Encashment of Leave at the end of tenure;
- iv) The Managing Director shall be entitled to other perquisites as are allowed to executives in the Company based on the approval of the Board of Directors from time to time.
- v) Minimum Remuneration, calculated in accordance with provisions of Schedule V of the Companies Act, 2013 shall be paid in the event of loss or inadequacy of profits in any financial year during their tenure as Managing Director of the Company.
- vi) Letter of appointment for renewal of terms of appointment and the Register maintained in pursuance of Section 170 of the Companies Act, 2013 would be available for inspection by the members at the Registered Office of the Company during normal business hours on any working day up to and including the date of the Annual General Meeting.
- vii) Mr. Jayeshbhai Thakkar is interested in the resolutions as set out at Item No. 7 of the Notice, which pertains to his re-appointments and remuneration payable to him.
- viii) Similarly, the relatives of Mr. Jayeshbhai Thakkar may be deemed to be interested in the resolutions set out at Item No. 11 of the Notice, to the extent of their shareholding interest, if any, in the Company.

- ix) Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Special Resolutions set out at Item No. 11 of the Notice for approval by the shareholders.

Item No. 12 :

Your Directors at their meeting held on 14th August, 2019 decided to predominantly embark in the activities of trading including gold trading in addition to entertainment and accordingly have recommended alteration in Main objects clause of the Memorandum of Association of the Company by way of insertion of sub-clause 4 & 5 in Clause III (A) to the existing Main objects relating to the aforesaid business.

Proposed newly substituted sub-clause 4 & 5 in Clause III (A) of Main objects would enable your Company to carry on the business more efficiently.

In terms of the provisions of Section 13 of the Companies Act, 2013 [including any statutory modification(s) or re-enactment(s) thereof from time to time] ('the Act') and rules framed there under, the Object Clause of the Company can be amended only by a special resolution passed by the members. Accordingly your Directors of the Company recommend and seek your approval to the resolution as set out in item no. 1 of the accompanying notice by way of Special Resolution.

A copy of the Memorandum of Association together with all the proposed alterations is available for inspection at the registered office of the Company between 10:00 a.m. and 12:30 p.m. on all working days except Saturdays and other holiday's upto 28th September, 2019

Neither any of the Directors/Key Managerial Personnel of the Company nor any of their relatives(s) shall be deemed to be interested or concerned financially or otherwise in the resolution.

**By Order of the Board of Directors
For Kavit Industries Limited**

Date : 14.8.2019

Place : Vadodara

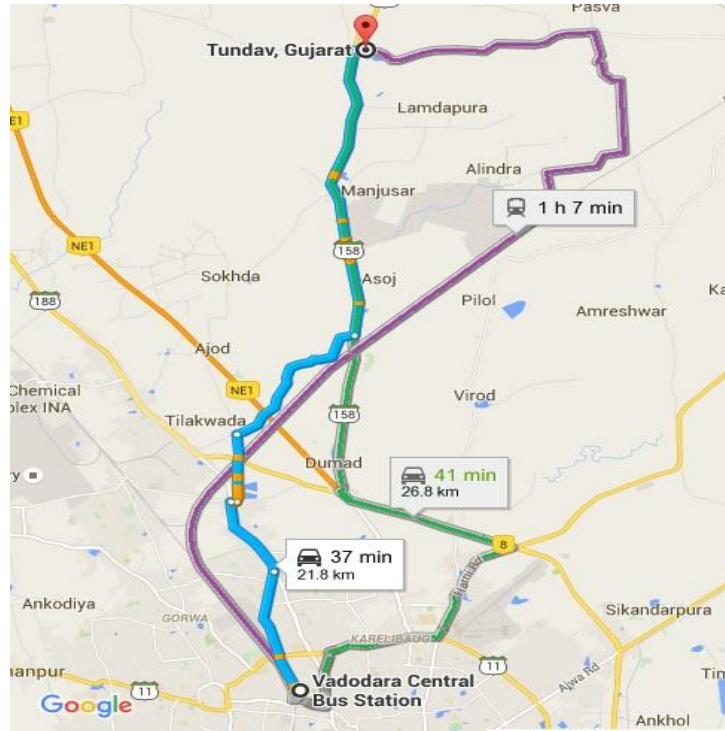
**Sd/-
Harish G. Punwani
Company Secretary
(Membership no. A50950)**

ANNEXURE TO THE NOTICE OF ANNUAL GENERAL MEETING

Details of the directors seeking appointment and reappointment at the ensuing Annual General Meeting

Name of Director	Mr.Jayesh R. Thakkar (DIN:01631093)	Mr. Naresh A. Patel (DIN:06736529)	Mr. Hasmukh D. Thakkar (DIN:07183270)	Mr.Chandreshkumar V. Kahar (DIN:07318098)
Date of Birth	01/06/1964	01/06/1968	01/06/1962	19/08/1992
Date of first Appointment	28/01/2011	01/07/2018	01/07/2018	01/07/2018
Expertise in specific functional areas	Commerce, General Management	General Management	Information Technology, General Management	Commerce, General Management
Qualification	Bachelors of Commerce	Bachelors of Arts	Bachelors of Commerce	Masters of Commerce
List of public companies / listed companies in which outside directorship held as on 31st March, 2019	Kavit Industries Limited, Raghuvir International Private Limited, Kavit Infoline Private Limited, Sauver Finvest Mutual Benefits Limited	Kavit Industries Limited, N.A. Corporation Private Limited	Kavit Industries Limited, G-Tech Info Training Limited, Kavit Infra Project Private Limited	Kavit Industries Limited
Membership / Chairmanship of Committees on other Company's Boards / other Company's Boards	Nil	Nil	G-Tech Info Training Limited Chairman-Audit Committee, Member- NRC, Member-SRC	Nil
No of shares held	24,44,296	0	0	0
Terms and conditions of appointment	As specified in the Agreement	As specified in the Agreement	As specified in the Agreement	As specified in the Agreement
Details of remuneration sought to be paid and remuneration last drawn	Rs.18,00,000/- Rs.12,00,000/-	N.A.	N.A.	N.A.

Route Map for attaining the Annual General Meeting



Management Discussion and Analysis Report

The management of Kavit Industries Ltd. presents the analysis of the Company for the year ended on 31st March, 2019 and its outlook for the future. This outlook is based on assessment of the current business environment. It may vary due to future economic and other developments both in India and abroad. This Management Discussion and Analysis ("MD & A") of Kavit Industries Ltd. for the year ended on 31st March, 2019 contains financial highlights but does not contain the complete financial statements of the Company. It should be read in conjunction with the Company's audited financial statements for the year ended on 31st March 2019.

Indian Economy and Business Outlook

The past year had seen a challenging growth for Indian economy. Since the launch of Goods and Services Tax (GST) in July 2017 and with changes in monetary policy at such scale, scope, and complexity, the transition unsurprisingly encountered challenges for the informal sector. Fiscal 2018-19 saw a GDP growth between 6.75 and 7.50 percent year on. Due to series of major reforms undertaken over the past year will allow real GDP growth to reach 6.90 percent this fiscal and will rise to 8.0 percent in 2019-20, thereby re-instating India as the world's largest growing major economy.

Overview of Indian Edible oil Industry

Indian edible oil industry is the world's fourth-largest industry after USA, China and Brazil and accounts for around 9% of the world's oil seed production. It is highly fragmented with extreme variation in the consumption pattern of Indian consumers of edible oil. The Indian edible oil industry continues to be underpenetrated and thereby holds immense business opportunities. Vegetable oil consumption has increased due to rise in overall household income, surging retail sector, increasing health awareness, growing population and increasing demand. In India, oilseeds are grown in nearly 26-27 million hectares. The consumption growth is rising by nearly 5.5 to 6.0% per annum. Palm Oil is consumed the most by lower income category of Indian society. Consumption of Palm oil in India is now nearly 45% of the total oil consumption followed by Soybean oil and Rapeseed oil. Also the Indian edible oil demand is quite elastic and does reduce or increase to an extent with change in prices. India's cooking oil imports rose about 10 per cent to 15.57. The central government allowed 100%

FDI in oil palm plantations which is one of the important steps in helping fill the gap of edible oil deficit in India. The alarming declines of Indian oilseeds production **KAVIT INDUSTRIES LIMITED** and crushing are going along with booming import demand for vegetable oils, have brought oil meal exports from India almost to a standstill.

ABOUT “KAVIT” EDIBLE OIL

The vision to be a leader in Edible Oil Industry commenced in the year 2016 by having Edible Oil segment of **KAVIT INDUSTRIES LTD.** Today the company stands strong as **KAVIT INDUSTRIES LIMITED.** In Business Market and the Brand is recalled as "KAVIT" across Indian Families. Making a mark the creative delegates of the company Mr. Jayesh Raichandbhai Thakkar have passionately adhered to the objective of making only world-class products and started the business with three firm pillars - Quality, Research and Integration on which they have successfully build the business empire which today produces 1550 M.T. refined oil per day with complete vertical integration. Marking one of the major milestones, “KAVIT” became India's renowned Edible Oil Company to get Food & Safety Quality Management Certification of ISO 22000:2005.

"KAVIT" is a well communicated and trusted edible oil brand in India. Its market positioning as balanced cooking oil, helped it attach with its consumers on the health and fitness ground and soon the brand became a household name across Gujarat. The company offers different types of edible oils to consumer market. To produce best quality edible oil, company has procured best available technology and machinery over the period of time. Knowledge, Technology and Process up-gradation has always enabled Kavit Industries to be a market leader in Edible Oil segment. Kavit Industries Limited is one of those very few companies which have also invested in vertical integration to add a value of quality to all their end products. Company has its own manufacturing plants to manufacturer and packs Tins, Bottles, Jars. To serve Industrial Segment, Kavit Industries planning to offer export quality edible oil and its Derivatives across the Globe. The vision to make the brand “KAVIT” as a Star Export House and to make it as one of the largest exporters of India.

Risks and Concerns

In the coming decade, the main focus would be on enhancing efficiency and productivity, and on innovation, driven by changing customer demands. Price

sensitivity of the Indian consumer, cost optimization needs of manufacturers and increasing focus on environmental concerns will drive critical changes in the market. Future strategies of the auto companies will have to focus on increased environmental safety concerns, rising fuel prices and cost-effectiveness in the rising market competition. Innovation has to focus on increasing efficiency and reducing emissions. Customer experience will be key factor to retain the existing ones and reach out to the new ones. After-sales service is an important aspect which will help in winning the loyalty of the consumer.

Forward Looking Statements

Investors are cautioned that statements in this management discussion and analysis describing your Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect your Company's operations include a downtrend in the automobile industry global or domestic or both, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relation and interest costs. The Company has processes to measure, monitor and improve environmental performance through various initiatives focusing on energy, water and waste. Water efficiency and conservation initiatives, rainwater harvesting systems, domestic sewage treatment and recycling facilities are a part of design in all its units towards becoming zero water discharge

Financial performance:

Financial performance of the Company detailed in the Boards' Report.

Segment-wise or product-wise performance:

Segment-wise detailed performance provided in the Notes to the financial statement.

Opportunities:

Edible oil market is increasing day by day but in today's time people are getting more and more conscious about being healthy so the Healthy Oil market has a great potential. Growing population, economic growth and rising disposable income will drive India's vegetable oil consumption growth, which is expected to grow by three per cent annually to exceed 34 million tonnes by 2030. Increasing income, urbanisation, changing food habits and deeper penetration of processed

foods will be key drivers of future consumption growth of edible oil in the country. Palm oil, soy oil and sunflower oil are expected to penetrate regional markets further in the future.

Threats:

Rainfall imbalance and price of raw materials are high threats for edible oil industries.

Human Resources/ Industrial Relations Front:

The Company is working on enhancing its competencies to take care of current and future business. Human Resource and Industrial Relations departments have developed systems and policies on recruitment, performance management, learning and development, and employee engagement. The high level of motivation of the employees and their identification with the company is the basis for the creation of a strong team, who continuously advance the innovative brands and superior technologies with their inventive talent and pioneering spirit. The training courses are evolved to internalize the principles of sustainable development and to uphold the Company's corporate culture based on fairness and team spirit.

INTERNAL CONTROL SYSTEMS AND ADEQUACY:

The Company's internal control policies are in line with its size and nature of operations and they provide assurance that all assets are safeguarded, transactions are authorised, recorded and reported properly following all applicable statutes, General Accepted Accounting Principles, company's Code of Conduct and corporate policies. The Company has an Audit Committee, which conducts audit in various functional areas as per audit plan approved by the Audit Committee. Audit planning and executions are oriented towards assessing the state of internal controls, making them stronger and addressing the risks in the functional areas of the Company and suggests improvements for strengthening them. Similarly, the Internal Auditors are also monitoring the Internal Control Systems.

BOARDS' REPORT

To,
**The Members of
Kavit Industries Limited**

Your Directors are pleased to present the Annual Report and the Company's Audited Financial Statement for the financial year ended March 31, 2019.

1. FINANCIAL HIGHLIGHTS AND STATE OF COMPANY'S AFFAIRS:

The financial results of the Company for the accounting year ended on 31st March 2019, are as follows:

Particulars	Year Ended March 31, 2019		Year Ended March 31, 2018	
	Standalone	Consolidated	Standalone	Consolidated
Total Revenue	9487.31	10889.37	6902.93	7537.08
Profit/(Loss) before Depreciation & Tax	252.99	256.57	82.10	89.93
Add/(Less) : Depreciation	(31.72)	(31.72)	(17.66)	(17.66)
Profit (Loss) Before Taxes	221.27	224.85	64.43	72.27
Taxes expenses				
Current Tax	(71.57)	(72.80)	(19.87)	(23.98)
Deferred Tax	4.57	4.57	-	-
Income Tax of earlier years		(0.14)		
Net Profit /(Loss)	154.27	156.48	44.56	48.28
Add/(Less) Total other comprehensive income	1.84	1.99	(0.08)	(0.08)
Total Comprehensive Income for the period	156.09	158.46	44.48	48.20
Total Comprehensive Income for the period attributable to owners of the Company		157.90		48.21
Add/(Less) balance brought forward	23.69	27.42	(20.79)	(20.79)
Balance carried forward to balance sheet	179.78	185.32	23.69	27.42

2. Business overview:

Standalone total revenue and net profit have increased from Rs.6902.93 lakhs and Rs.44.56 Lakhs respectively for the previous year ended on 31st March , 2018 to Rs.9487.31 Lakhs and Rs.154.27 Lakhs respectively for the year ended on 31st March , 2019 registering a growth of about 37.44% and quantum jump of 246.21% respectively.

Consolidated Total Revenue and Net Profit have increased from Rs.7537.08 lakhs and Rs.48.28 respectively for the previous year ended on 31st March, 2018 to Rs. 10889.37 Lakhs and Rs.156.48 Lakhs respectively for the year ended on 31st March, 2019 registering a growth of about 44.48% and 224.11% respectively.

3. DIVIDEND:

Keeping in view long term interest of the Company, the Board has not recommended any dividend.

4. CAPITAL STRUCTURE:

During the year under review, there was no change in the Company's issued, subscribed and paid-up equity share capital.

5. AUDITOR'S COMMENTS & REPLY THEREON

a. STATUTORY AUDITORS:

As regards emphasis of matter in the Auditors Report, your Directors would like to state as follows:

- (1) Item No.1 of the emphasis of matter in the Auditors Report relating to loan & subsidiaries:

With reference to the captioned matter as detailed in Note no.43 of the financial statement, it is stated that the subsidiary companies being newly incorporated would not get finance from the Bank. Accordingly, in order to support and strengthen the subsidiaries, loans were given mainly in the last year on short term basis . Part of the loans have been repaid also.

- (2) Item No.2 of the emphasis of the matter in the Auditors Report relating to writing off the balances.

Note no.28 of the financial statement is self explanatory in this regards.

- (3) Item no.3 of the emphasis of matter in the Auditors Report relating to non-filing of the requisite form in respect of increase in Authorised Capital.

Note no.16.1 of the Financial statement is self explanatory in the regard. It is an inadvertent and unintentional procedural lapse not forming part of this financial year as stated in the note. Your company is committed to take appropriate steps for the same.

b. SECRETARIAL AUDITOR:

Pursuant to Section 204 of the Act and rules framed thereunder, the Board of Directors has appointed **M/s Devesh Pathak & Associates.**, the Practicing Company Secretaries as a Secretarial Auditor to conduct a Secretarial Audit for the financial year under consideration.

The Report of the Secretarial Auditor in Form **MR-3** is annexed to this report as "Annexure-I"

As regards, observations in the Secretarial Auditors' Report, your Directors would like to state as follows:

- (i) With the strengthening of Secretarial Department, the Company is committed to ensure better compliance
(ii) Kindly refer reply to Item No. 1 of the emphasis of matters in the Auditors Report as aforesaid in the regard.

c. COST AUDITOR:

Maintenance of cost records and requirement of Cost Audit as prescribed under the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, are not applicable to the Company.

6. TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND.

During the Financial year under review, no amount has been transferred to General Reserve of the Company.

7. DETAILS OF SUBSIDIARY, JOINT VENTURES OR ASSOCIATES

The Company has subsidiary Companies, namely, Kavita Infoline Private Limited, Kavita Swachh Organic Food Private Limited, Kavita Foods Private Limited, Kavita Edible Oil Limited and Kavita Infra Project Private Limited. However no other Company has become or ceased to be Subsidiary, Joint Venture or Associate of the Company.

In compliance with the provisions of the Companies Act, 2013 the details of the subsidiaries and associated companies is mentioned in the prescribed **form AOC 1** marked as "Annexure II".

8. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, detailed review of operations, performance and future outlook of the Company is covered under a separate Annexure to this report as Management Discussion & Analysis. (Annexure - III).

9. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (i) in the preparation of the annual accounts of the Company for the year ended on March 31, 2019, the applicable accounting standards had been followed along with proper explanations relating to material departures for the same;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- (iii) 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;
- (iv) the Directors had prepared the Annual Accounts on a going concern basis;
- (v) 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; and
- (vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

10. CORPORATE GOVERNANCE :

Kavita Industries Limited is committed to maintaining the best standards of Corporate Governance and has always tried to build the maximum trust with shareholders, employees, customers, suppliers and other stakeholders.

A separate section on Corporate Governance report and the certificate from the Practicing Chartered Accountants confirming compliance of the Corporate Governance norms as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") form part of this Annual Report as an Annexure IV.

11. CONTRACTS AND ARRANGMENTS WITH RELATED PARTIES :

As required by the provisions of the Companies Act, 2013; the details regarding the Related Party Transactions are given in prescribed **Form AOC-2** attached herewith as Annexure V.

12. NUMBER OF MEETINGS

The Details of number of Meetings of Board of Directors and attendance of individual Directors are provided under the Corporate Governance Report.

13. CONSOLIDATED FINANCIAL STATEMENT:

In accordance with the Companies Act, 2013, Regulation 34(2)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Accounting Standard (AS) – 21 on the consolidated financial statement read with AS – 23 on accounting for investment in associates and AS – 27 on financial reporting of interests in joint ventures, the audited consolidated financial statement is provided in the Annual Report.

14. DIRECTOR & KEY MANAGERIAL PERSONNEL:

During the year under review, changes occurred in Directorship and Key Managerial Personnel are described at length in Corporate Governance report.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Jayesh Raichand Thakkar (DIN- 01631093), Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Your Directors recommend his re-appointment for your approval.

The Company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under Section 178(3) of the Companies Act, 2013 is hosted on the Company's website (www.kavitindustries.in).

The Company has also received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under Section 149(6) of the Companies Act, 2013 and regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

15. MATERIAL CHANGES AND COMMITMENTS BETWEEN THE DATE OF THE BALANCE SHEET AND THE DATE OF REPORT:

There are no material changes between the date of balance sheet and the date of this report that would affect the financial position of the Company.

16. CONSERVATION OF ENERGY, TECHNOLOGICAL ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

(A) Conservation of energy:

Your Company is making all efforts to conserve energy by monitoring energy cost and periodical review of the consumption of energy. It also takes appropriate steps to reduce the consumption through efficiency in usage and timely maintenance/ installation/ upgradation of energy saving devices.

(B) Technology absorption:

The Company uses latest technology and equipments into the business and has been quite vigilant about the latest technological changes.

(C) Foreign Exchange Earnings and Outgo:

(Rs. In Lacs)		
PARTICULARS	2018-19	2017-18
Foreign Exchange earned in terms of actual inflows during the year (On F.O.B Basis)	0	0
Foreign Exchange outgo during the year in terms of actual outflows	0	0

17. LOANS, GAURANTEES AND INVESTMENTS BY COMPANY (Section 186)

Details of the same is provided in the financial statement.

18. EXTRACT OF ANNUAL RETURN: [Section 92 (3)]

As required by the provisions of Section 92(3) of the Companies Act, 2013, the extracts of Annual Return in prescribed **Form MGT-9** is attached herewith as Annexure VI.

19. DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review within the meaning of the Companies (Acceptance of Deposits) Rules 2014 applies.

20. AUDIT COMMITTEE (Section 177 (8))

As on the date, audit committee comprises of 3 members as on the date of this report. All the members of Audit Committee are financially literate. The reference terms and other details of the Audit Committee are mentioned in the Corporate Governace Report which is a part of this report.

21. DISCLOSURE ON ESTABLISHMENT OF VIGIL MECHANISM :

Requirement of establishment of Vigil Mechanism is not applicable to the Company. Hence, it has not been constituted.

22. CORPORATE SOCIAL RESPONSIBILITY (CSR):

Since neither the Company's net worth exceeds Rs. 500 crores nor Company's turnover exceeds Rs. 1,000 crores nor the Company's net profit exceeds Rs. 5 crore for any financial year, the provisions of section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility activities are not applicable to the Company.

23. OTHER MATTERS:

Following are the other matters to be covered pursuant to Section 134(3) (q) of the Companies Act, 2013 read with Rules made thereunder:

1. Change in nature of business

- There is no change in the nature of the business

2. Details of significant and material orders passed by the Regulators or courts or tribunals Impacting the going concern status and company's operations in future.

- There is no significant and material orders passed by the Regulators, courts, or tribunals impacting the going concern status and Company's operations in future.

3. Adequacy of Internal Financial Controls with reference to Financial Statements

-There is an adequate system in place for internal financial controls which commensurates with the working operations of the Company.

24. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL), ACT, 2013:

The Company has in place, an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act 2013. Internal Complaints Committee (ICC) has been set up to redress the complaints received regarding sexual harassment. All employees (Permanent, Contractual, Temporary, trainees) are covered under this Policy.

There were no complaint filed till date under the said policy.

25. COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS:

Pursuant to Clause 9 of Secretarial Standards on meeting of the Board of Directors, it is stated that the Company is compliant to applicable Secretarial Standards during the year.

26. ACKNOWLEDGEMENTS:

Your directors appreciate the professionalism, commitment and dedication displayed by employees at all levels. The directors would like to express their grateful appreciation for the assistance and co-operation that our company has been receiving from our Bankers, Customers, Business Associates, Central and State Government authorities and Shareholders.

Date : 14.8.2019
Place : Vadodara

By Order of the Board of Directors
For Kavit Industries Limited

Sd/-
Jayesh Thakkar
CHAIRMAN

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST March, 2019

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

To,
The Members,
KAVIT INDUSTRIES LIMITED
Vill. Tundao, Tal. Savli,
Vadodara-391775

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the Company. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of KAVIT INDUSTRIES LIMITED's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes' books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (1) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (4) 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;
- (5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; [presently: The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015]
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; [Presently: the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018]
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; [Presently: The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014]
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; [Presently: the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018]
- (6) Having regard to the products, processes and locations of the Company as also having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, **on test check basis, we further report that** the Company has materially complied with the following laws applicable specifically to the Company:

(i) Environment Laws as stated hereunder, have been materially complied with –a GPCB Consent as required for the same has been availed:

- (a) Water (Prevention and Control of Pollution) Act, 1974
- (b) Air (Prevention and Control of Pollution) Act, 1981
- (c) Environment (Protection) Act, 1986
- (d) Hazardous Waste (Management and Handling) Rules, 1989

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

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

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

- (a) Non-compliances under LODR, Details of actions taken by BSE and actions taken by the Company are as follows:

Sr. No.	Action taken by	Details of violation	Details of action taken e.g. fine, warning letter, debarment, etc.	Our remarks
1.	BSE	Statement of Investor Complaints for the quarter ended 30 th September, 2018 pursuant to Regulation 13(3) of LODR – submitted with delay of 40 days.	Penalty of Rs. 47,200 payable as on 31 st January, 2019 vide their letter dated 31 st January, 2019	The Company has requested for waiver vide its mail dtd July 12, 2019 and reply from BSE is awaited.
2.	BSE	Unaudited Financial Results for the quarter ended 30 th September, 2018 pursuant to Regulation 33 of LODR – submitted with a delay of one day.	Penalty as payable on 30 th November, 2018 – Rs. 5,900 vide their letter dated 30 th November, 2018	Penalty paid on 18 th July, 2019
3.	BSE	Appointment of a qualified Company Secretary as Compliance Officer pursuant to Regulation 6(1) of LODR – with a delay of 90 days.	Penalty of Rs. 1,06,200 vide their letter dated 14 th May, 2019	The Company has requested for waiver vide its mail dtd June 18, 2019 and reply from BSE is awaited.

(b) Granting loans to subsidiaries of the Company was not in compliance with Section 185 & 186 of the Act.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

We further report (by way of information) that during the audit period:

- (a) The Company has not issued any securities during the period under review, and accordingly-
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, and;
 - The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008

were not applicable during the period under review.

- (b) The Company has neither got delisted Equity Shares nor bought back any security of the Company, and accordingly-
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, and;
 - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018,

were not applicable during the period under review.

- (c) The Company did not have Company Secretary during the year. However thereafter the Company has appointed Company Secretary.

- (d) Paid-up Share Capital of Rs. 61,93,33,330 exceeds the Authorised Share Capital of Rs. 46,45,00,000, as appearing in the master data on MCA Portal. We have been given to understand that the Company is in process of taking necessary actions for the purpose.

- (e) The Board of Directors of the Company at its meeting held on 4th March, 2019 appointed M/s M. Sahu & Co., Chartered Accountants, Vadodara as Statutory Auditors to fill up casual vacancy caused by resignation of M/s Sheetal Samariya & Co., Chartered Accountants, subject to approval of members.

- (f) BSE inflicted penalty of Rs. 9,77,040 vide their letter dated 31st October, 2018 in respect of non-compliance with the requirement pertaining to the composition of the Board, Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Risk Management Committee under LODR.

In the regard, we have been informed by the Company that the Company vide its letter dated 23rd November, 2018 replied that the composition of the Board was in line with the requirements of LODR but intimation of the same was mistakenly not given to BSE and thereafter no further communication has been received in the matter from BSE.

- (g) The Company has made delayed submission with BSE in respect of:

- (i) Compliance Report on Corporate Governance for September, 2018 by 39 days;
However, in the regard, we have been informed by the Company that the said Report was filed within time, but revised report with corrections in defects was filed with delay as aforesaid.
- (ii) Reconciliation of Share Capital Audit Report for September, 2018 by 3 days;
- (iii) Certificate relating to transfer for September, 2018 by 3 days;
- (iv) Submission of Annual Report by 7 days, and;

(v) Details regarding voting results at the AGM by 3 days.

Moreover, the Company had not submitted:

(vi) Compliance Certificate by Compliance Officer and Share Transfer Agent for September, 2018 to BSE.

Moreover, the intimation was not given to BSE in respect of:

(vii) Closure of Trading Window, and;

(viii) Book Closure.

We have also been informed that the Company is in process of updation of website.

(h) The Securities and Exchange Board of India passed an order vide no. WTM/GM/EFD/60/2018-19 dated 28th September, 2018 mainly in respect of-

(i) Restraint on the Company and specified persons from accessing the securities market as well as from buying, selling, or otherwise dealing in securities in any manner whatsoever, either directly or indirectly for a period of **3 years**.

(ii) Restraint on specified persons from holding any position as Director or Key Managerial Person of any other listed company for a period of **3 years**.

Date : 14th August, 2019

Place : Vadodara

For **Devesh Pathak & Associates**

Practising Company Secretaries

SD/-

Devesh A. Pathak

Sole Proprietor

FCS No.: 4559

CoP No.: 2306

Note: This Report is to be read with our letter of even date which is enclosed as forming an integral part of this Report.

To,
The Members,
Kavit Industries Limited
Vill. Tundao, Tal. Savli,
Vadodara-391775

14th August, 2019

Ref: Secretarial Audit Report dated 14th August, 2019 pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Maintenance of Secretarial Records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our Audit.

We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of these Secretarial Records. The verification was done on a test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and the practices we followed provided reasonable basis for our opinion.

We have not verified the correctness and appropriateness of the Financial Records and Books of Accounts of the Company and have relied upon the reports of designated professionals including Statutory Auditors for the purpose.

Wherever required, we have obtained the Management Representation about the Compliance of Laws, Rules, Regulations, and happenings of events, etc.

The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards, is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **Devesh Pathak & Associates**
Practicing Company Secretaries

SD/-
Devesh A. Pathak
Sole Proprietor
FCS No. : 4559
CoP No. : 2306

Form No. MGT/9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31/03/2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I	REGISTRATION AND OTHER DETAILS	
i)	CIN	L23100GJ1990PLC014692
ii)	Registration Date	23/11/1990
iii)	Name of the Company	Kavit Industries Limited
iv)	Category	Company limited by shares
	Sub/Category of the Company	Non/Government Company
v)	Address of the Registered office and contact details	Vill : Tundao, Tal: Salvi, Vadodara /391775.
	Town / City :	Vadodara
	State :	Gujarat
	Country Name :	India
	Telephone (with STD Code) :	0265/2362000,2361100
	Fax Number :	0265/2361551
	Email Address :	kavitindustrieslimited@gmail.com info@kavitindustries.in
	Website, if any:	http://kavitindustries.in
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Link Intime India Pvt. Ltd. B/102 & 103, Shangrila Complex, 1st Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara / 391775, Gujarat. Phone No : 0265/2356573, 2356794 Fax: 022/2356 791. E/mail:vadodara@linkintime.co.in
II	PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY	
	All the business activities contributing 10 % or more of the total turnover of the company	Insertion / A
III	PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES	Insertion / B
IV	SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)	
	Category wise Share holding	Insertion / C
	Shareholding of promoters	Insertion / D
	Change in Promoters' Shareholding	Insertion / E
	Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	Insertion / F
	Shareholding of Directors and Key Managerial Personnel	Insertion / G
V	INDEBTEDNESS	
	Indebtedness of the Company including interest outstanding/accrued but not due for payment	Insertion / H
VI	REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL	

	Remuneration to Managing Director, Whole/time Directors and/or Manager	Insertion / I
	Remuneration to other directors	Insertion / J
	Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD	Insertion / K
VII	PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES	Insertion / L

[Insertion / A](#)

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated: /

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Edible Oil	51225	16.79
2	Agricultural Products	51219	13.85
3	Trading of Chemicals	51496	69.34

[Insertion / B](#)

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of Shares Held	Applicable Section
1.	Kavit Edible Oil Limited Add: 9 th Floor, Galav Chambers, Station Road, Sayajigunj, Vadodara 390020, Gujarat.	U15100GJ2017PLC096076	Subsidiary	80.00%	2(87)
2.	* Kavit Foods Private Limited Add: 9 th Floor, Galav Chambers, Station Road, Sayajigunj, Vadodara 390020, Gujarat.	U15111GJ2018PTC101534	Subsidiary	70.00%	2(87)
3	Kavit Swachh Organic Food Private Limited Add: 9 th Floor, Galav Chambers, Opp. Sardar Patel Statue, Sayajigunj, Vadodara 390020, Gujarat.	U15490GJ2016PTC094300	Subsidiary	60.00%	2(87)
4	Kavit Infoline Private Limited Add :9 th Floor, Galav Chambers, Opp. Sardar Patel Statue, Sayajigunj, Vadodara 390020, Gujarat	U72300GJ2016PTC086091	Subsidiary	70.00%	2(87)
5	Kavit Infra Projects Private Limited Add: 9 th Floor, Galav Chambers, Station Road, Sayajigunj, Vadodara 390020, Gujarat.	U45209GJ2015PTC083192	Subsidiary	80.00%	2(87)

**KAVIT FOODS PRIVATE LIMITED subsidiary of the Company is under the process of “STRIKE OFF”*

Insertion / C

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category/wise Share Holding

[illegible]

[illegible]

C	Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
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	GRAND TOTAL (A+B+C)	58270440	3662893	61933333	100	58392793	3540540	61933333	100	0.00
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[Insertion / D](#)

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (i.e. as at 01/04/2018)			Shareholding at the end of the year (i.e. as at 31/03/2019)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Jayeshbhai Raichandbhai Thakkar	2444296	3.95	0.00	12872150	20.78	0.00	+0.08
2	Artiben Jayeshbhai Thakkar	452798	0.73	0.00	452798	0.73	0.00	0.00
3	Bharat Limjibhai Patel	133333	0.21	0.00	133333	0.21	0.00	0.00
4	Hansaben Jaswantbhai Thakkar	66666	0.11	0.00	66666	0.11	0.00	0.00
5	Hashmukhbhai Dhanjibhai Thakkar	66666	0.11	0.00	66666	0.11	0.00	0.00
6	Jagdishbhai Raichandbhai Thakkar	104533	0.17	0.00	10300	0.02	0.00	(0.15)
7	Jaswant Raichandbhai Thakkar	134533	0.22	0.00	134533	0.22	0.00	0.00
8	Kokilaben H. Thakkar	66666	0.11	0.00	66666	0.11	0.00	0.00
9	Mitul Jagdishbhai Thakkar	93332	0.15	0.00	93332	0.15	0.00	0.00
10	Santosh Kahar	127333	0.20	0.00	127333	0.20	0.00	0.00
11	Somabhai S. Thakkar	133705	0.21	0.00	133705	0.21	0.00	0.00
12	Raghuvir International Private Limited	12872150	20.78	0.00	12872150	20.78	0.00	0.00
13	Shree Saibaba Exim Private Limited	9949772	16.07	0.00	9949772	16.07	0.00	0.00
	TOTAL	26645783	43.02	0.00	26551550	42.87	0.00	(0.15)

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	26645783	43.02	26551550	42.87
2	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc)	*	*	94233	0.35
3	At the End of the year	26645783	43.02	26551550	42.87

***Date wise increase /decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease(e.g. allotment/transfer/Sweat Equity etc.)**

Sr. No.	Name of the shareholders	Shareholding at the beginning and end of the year (i.e. 01/04/2018 and 31/03/2019 respectively)		Date	(+)Increase / (/)Decrease	Reason	Cumulative Shareholding during the year	
		No. of shares at 01/04/2018 and 31/03/2019	% of total shares of the company				No. of shares	% of total shares of the company
1.	Jayeshbhai Raichand Bhai Thakkar	2444296	3.95	01/04/2018	/	/	244496	3.95
					No Change		244496	3.95
		2444296	3.95	31/03/2019			2444296	3.95
2.	Artiben Jayeshbhai Thakkar	452798	0.73	01/04/2018			452798	0.73
					No Change	/	452798	0.73
		452798	0.73	31/03/2019			452798	0.73
3.	Bharat Limjibhai Patel	133333	0.21	01/04/2018			133333	0.21
					No Change	/	133333	0.21
		133333	0.21	31/03/2019			133333	0.21
4.	Hansaben Jaswantbhai Thakkar	66666	0.11	01/04/2018			66666	0.11
					No Change	/	66666	0.11
		66666	0.11	31/03/2019			66666	0.11
5.	Hashmukhbhai Dhanjibhai Thakkar	66666	0.11	01/04/2018			66666	0.11
					No Change	/	66666	0.11

		66666	0.11	31/03/2019			66666	0.11
6.	Jagdishbhai Raichandbhai Thakkar	104533	0.17	01/04/2018			104533	0.17
				20/07/2018	(94233)	Transfer	10300	0.02
		10300	0.02	31/03/2019			10300	0.02
7.	Jaswant Raichandbhai Thakkar	137733	0.22	01/04/2018			137733	0.22
				06/04/2018	(1600)	Transfer	136133	0.22
				9/11/2018	(1600)	Transfer	134533	0.22
				16/11/2018	1600	Transfer	136133	0.22
				04/01/2019	(40)	Transfer	136093	0.22
		140773	0.23	31/03/2019			140773	0.23
8.	Kokilaben H. Thakkar	66666	0.11	01/04/2018			66666	0.11
					No Change	/	66666	0.11
		66666	0.11	31/03/2019			66666	0.11
9.	Mitul Jagdishbhai Thakkar	93332	0.15	01/04/2018			93332	0.15
				09/11/2018	Transfer	(93066)	266	0.00
				23/11/2018	Transfer	93066	93332	0.15
		93332	0.15	31/03/2019			93332	0.15
10.	Santosh Kahar	127333	0.21	01/04/2018			127333	0.21
					No Change	/	127333	0.21
		127333	0.21	31/03/2019			127333	0.21
11.	Somabhai S. Thakkar	135905	0.22	01/04/2018			135905	0.22
				06/04/2018	Transfer	(1100)	134805	0.22
				09/11/2018	Transfer	(1100)	133705	0.22
				16/11/2018	Transfer	1100	134805	0.22
		134805	0.22	31/03/2019			134805	0.22

12.	Raghuvir International Private Limited	12872150	20.78	01/04/2018			12872150	20.78
					No Change	/	12872150	20.78
		12872150	20.78	31/03/2019			12872150	20.78
13.	Shree Saibaba Exim Private Limited	9949772	16.07	01/04/2017			9949772	16.07
					No Change	/	9949772	16.07
		9949772	16.07	31/03/2019			9949772	16.07

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of the shareholders	Shareholding at the beginning and end of the year (i.e. 01/04/2017 and 31/03/2018 respectively)		Date	(+)Increase / (-)Decrease	Reason	Cumulative Shareholding during the year	
		No. of shares at 01/04/2017 and 31/03/2018	% of total shares of the company				No. of shares	% of total shares of the company
1.	Krystalklear Properties Private Limited	5200000	8.40	01/04/2018			5200000	8.40
				09/11/2018	(5200000)	Transfer	0	0
				23/11/2018	5200000	Transfer	5200000	8.40
				14/12/2018	(16500)	Transfer	5183500	8.37
				21/12/2018	(36000)	Transfer	5147500	8.31
				28/12/2018	(7500)	Transfer	5140000	8.30
				31/12/2018	(4320)	Transfer	5135680	8.29
				04/01/2019	(10180)	Transfer	5125500	8.28
				11/01/2019	(5500)	Transfer	5120000	8.27
		5120000	8.27	31/03/2019			5120000	8.27
2.	Aprateem Trading Private Limited	4600000	7.43	01/04/2018			4600000	7.43
				09/11/2018	(4600000)	Transfer	0	0
				23/11/2018	4600000	Transfer	4600000	7.43
				01/03/2019	(2586)	Transfer	4597414	7.42
		4597414	7.42	31/03/2018			4597414	7.42
3.	Silvercade Trading Private	4391724	7.09	01/04/2018			4391724	7.09

	Limited			09/11/2018	(4391724)	Transfer	0	0
				23/11/2018	4391724	Transfer	4391724	7.09
		4391724	7.09	31/03/2019			4391724	7.09
4.	Gill Entertainment Private Limited	4133228	6.67	01/04/2018			413328	6.67
				09/11/2018	(4133228)	Transfer	0	0
				23/11/2018	4133228	Transfer	4133228	6.67
		4133228	6.67	31/03/2019			4133228	6.67
5.	Indivar Traders Private Limited	4001206	6.46	01/04/2018			4001206	6.46
				29/09/2018	(100)	Transfer	4001106	6.46
				09/11/2018	(4001106)	Transfer	0	0
				23/11/2018	4001106	Transfer	4001106	6.46
				29/3/2019	7416	Transfer	4008522	6.47
		4008522	6.47	31/03/2019			4008522	6.47
6.	Saint Infrastructure Private Limited	3066666	4.95	01/04/2018			3066666	4.95
				01/06/2018	(5000)	Transfer	3061666	4.94
				09/11/2018	(3061666)	Transfer	0	0
				23/11/2018	3061666	Transfer	3061666	4.94
		3061666	4.94	31/03/2019			3061666	4.94
7.	SSJ Finance & Securities Private Limited	1226659	1.98	01/04/2018			1226659	1.98
				06/04/2018	3655	Transfer	1230314	1.99
				13/04/2018	(7070)	Transfer	1223244	1.98
				04/05/2018	900	Transfer	1224144	1.98
				11/05/2018	(700)	Transfer	1223444	1.98
				18/05/2018	(200)	Transfer	1223244	1.98
				25/05/2018	100	Transfer	1223344	1.98
				01/06/2018	(100)	Transfer	1223244	1.98
				08/06/2018	3500	Transfer	1226744	1.98
				15/06/2018	(500)	Transfer	1226244	1.98

				10/08/2018	1000	Transfer	1316	1.98
				17/08/2018	50	Transfer	3866	1.98
				24/08/2018	(600)	Transfer	4566	1.98
				31/08/2018	(450)	Transfer	20066	1.98
				07/09/2018	50	Transfer	20676	1.98
				14/09/2018	3050	Transfer	20466	1.98
				21/09/2018	230	Transfer	52066	1.99
				29/09/2018	200	Transfer	67066	1.99
				05/10/2018	82	Transfer	94515	1.99
				12/10/2018	4	Transfer	94584	1.99
				02/11/2018	1400	Transfer	93700	1.99
				09/11/2018	(1231260)	Transfer	94584	0.00
				23/11/2018	1231397	Transfer	109235	1.99
				22/02/2019	(353)	Transfer	100118	1.99
				01/03/2019	2586	Transfer	152952	1.99
				08/03/2019	(2586)	Transfer	298533	1.99
				29/03/2019	(7416)	Transfer	1223628	1.98
		1223628	1.98	31/03/2018		Transfer	1223628	1.98
8.	J.N.M Realty And Marketing Limited	518954	0.84	01/04/2018			518954	0.84
				06/04/2018	13268	Transfer	532222	0.86
				13/04/2018	13740	Transfer	545962	0.88
				20/04/2018	20344	Transfer	566306	0.91
				27/04/2018	9394	Transfer	575700	0.93
				04/05/2018	6390	Transfer	582090	0.94
				11/05/2018	10122	Transfer	592212	0.96
				18/05/2018	7274	Transfer	599486	0.97
				25/05/2018	14480	Transfer	613966	0.99
				01/06/2018	4975	Transfer	618941	1.00

		08/06/2018	14388	Transfer	633329	1.02
		15/06/2018	33297	Transfer	666626	1.08
		22/06/2018	10806	Transfer	677432	1.09
		30/06/2018	(593)	Transfer	676839	1.09
		06/07/2018	5359	Transfer	682198	1.10
		13/07/2018	2045	Transfer	684243	1.10
		20/07/2018	5480	Transfer	689723	1.11
		27/07/2018	10950	Transfer	700673	1.13
		03/08/2018	16100	Transfer	716773	1.16
		10/08/2018	28168	Transfer	744941	1.20
		17/08/2018	3790	Transfer	748731	1.21
		24/08/2018	14895	Transfer	763626	1.23
		31/08/2018	(3933)	Transfer	759693	1.23
		07/09/2018	2862	Transfer	762555	1.23
		14/09/2018	3080	Transfer	765635	1.24
		21/09/2018	850	Transfer	766485	1.24
		29/09/2018	17275	Transfer	783760	1.27
		05/10/2018	3803	Transfer	787563	1.27
		09/11/2018	(787563)	Transfer	0	0.00
		23/11/2018	787563	Transfer	787563	1.27
		04/01/2019	1514	Transfer	789077	1.27
		11/01/2019	3349	Transfer	792426	1.28
		18/01/2019	4586	Transfer	797012	1.29
		25/01/2019	(4600)	Transfer	792412	1.28
		01/02/2019	(111)	Transfer	792301	1.28
		08/02/2019	12821	Transfer	805122	1.30
		15/02/2019	16512	Transfer	821634	1.33
		22/02/2019	14738	Transfer	836372	1.35

				01/03/2019	800	Transfer	837172	1.35
				08/03/2019	6327	Transfer	843499	1.36
				15/03/2019	(1182)	Transfer	842317	1.36
				22/03/2019	4999	Transfer	847316	1.37
				29/03/2019	5119	Transfer	852435	1.38
		852435	1.38	31/03/2019			852435	1.38
9.	Ashok Kumar Todi	402055	0.65	01/04/2018			402055	0.65
				15/06/2018	(20206)	Transfer	381849	0.62
				13/07/2018	(2400)	Transfer	379449	0.61
				27/07/2018	(18125)	Transfer	361324	0.58
				03/08/2018	(16634)	Transfer	344690	0.56
				10/08/2018	(119350)	Transfer	225340	0.36
				14/09/2018	(100)	Transfer	225240	0.36
				21/09/2018	(2297)	Transfer	222943	0.36
				19/10/2018	(20083)	Transfer	202860	0.33
				26/10/2018	(22924)	Transfer	179936	0.29
				02/11/2018	(16016)	Transfer	163920	0.26
				09/11/2018	(500)	Transfer	163420	0.26
				16/11/2018	(10988)	Transfer	152432	0.25
				23/11/2018	(1721)	Transfer	150711	0.24
				07/12/2018	(18768)	Transfer	131943	0.21
				21/12/2018	(8743)	Transfer	123200	0.20
				28/12/2018	(250)	Transfer	122950	0.20
				04/01/2019	(1451)	Transfer	121499	0.20
				18/01/2019	(846)	Transfer	120653	0.19
				25/01/2019	(515)	Transfer	120138	0.19
				01/02/2019	(4800)	Transfer	115338	0.19
				08/02/2019	(15662)	Transfer	99676	0.16

				15/02/2019	(29749)	Transfer	69927	0.11
				22/02/2019	(22500)	Transfer	47427	0.08
				01/03/2019	(7427)	Transfer	40000	0.06
				08/03/2019	(7000)	Transfer	33000	0.05
				15/03/2019	(16050)	Transfer	16950	0.03
				22/03/2019	(16950)	Transfer	0	0.00
		0	0	31/03/2019			0	0
10.	Sunpreet Singh	359700	0.58	01/04/2018			359700	0.58
					No Change	/	359700	0.58
		359700	0.58	31/03/2019			359700	0.58
11	Vishal Shah	250540	0.4045	01/04/2018			250540	0.40
				06/04/2018	(10497)	Transfer	240043	0.39
				13/04/2018	11916	Transfer	251959	0.41
				20/04/2018	10096	Transfer	262055	0.42
				27/04/2018	9342	Transfer	271397	0.44
				04/05/2018	6150	Transfer	277547	0.45
				11/05/2018	2250	Transfer	279797	0.45
				18/05/2018	(220)	Transfer	279577	0.45
				25/05/2018	2685	Transfer	282262	0.46
				01/06/2018	(431)	Transfer	281831	0.46
				08/06/2018	3681	Transfer	285512	0.46
				15/06/2018	6050	Transfer	291562	0.47
				22/06/2018	(2927)	Transfer	288635	0.47
				30/06/2018	2500	Transfer	291135	0.47
				06/07/2018	(2050)	Transfer	289085	0.47
				13/07/2018	3000	Transfer	292085	0.47
				20/07/2018	300	Transfer	292385	0.47
				27/07/2018	1200	Transfer	293585	0.47

		03/08/2018	(200)	Transfer	293385	0.47
		10/08/2018	20400	Transfer	313785	0.51
		17/08/2018	300	Transfer	314085	0.51
		07/09/2018	9100	Transfer	323185	0.52
		14/09/2018	(2500)	Transfer	320685	0.52
		21/09/2018	5000	Transfer	325685	0.53
		29/09/2018	6370	Transfer	332055	0.54
		12/10/2018	7500	Transfer	339555	0.55
		19/10/2018	(1600)	Transfer	337955	0.55
		26/10/2018	15000	Transfer	352955	0.57
		02/11/2018	(1700)	Transfer	351255	0.57
		16/11/2018	2330	Transfer	353585	0.57
		23/11/2018	11040	Transfer	364625	0.59
		30/11/2018	(9500)	Transfer	355125	0.57
		07/12/2018	14846	Transfer	369971	0.60
		14/12/2018	1800	Transfer	371771	0.60
		21/12/2018	3000	Transfer	374771	0.61
		28/12/2018	5300	Transfer	380071	0.61
		04/01/2019	200	Transfer	380271	0.61
		18/01/2019	3000	Transfer	383271	0.62
		25/01/2019	(3500)	Transfer	379771	0.61
		01/02/2019	18	Transfer	379789	0.61
		08/02/2019	200	Transfer	379989	0.61
		15/02/2019	300	Transfer	380289	0.61
		22/02/2019	12533	Transfer	392822	0.63
		01/03/2019	17717	Transfer	410539	0.66
		08/03/2019	8534	Transfer	419073	0.68
		15/03/2019	(4100)	Transfer	414973	0.67

12				22/03/2019	12000	Transfer	426973	0.69
				29/03/2019	1300	Transfer	428273	0.69
		428273	0.69	31/03/2019			428273	0.69
	Jaswant Raichand Thakkar	136133	0.2198	01/04/2018			136133	0.22
				09/11/2018	(1600)	Transfer	134533	0.22
				16/11/2018	1600	Transfer	136133	0.22
				04/01/2019	(40)	Transfer	136093	0.22
		405159	0.65	31/03/2019			405159	0.65

*The Shares has been transferred electronically.

Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 61933333 Shares.

2. The details of holding have been clubbed based on PAN.

3. % of total Shares of the Company are based on the paid up Capital of the Company at the end of the Year.

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Directors	Shareholding at the beginning and end of the year (i.e. 01/04/2018 and 31/03/2019 respectively)		Date	(+)Increase / (-)Decrease	Reason	Cumulative Shareholding during the year	
		No. of shares at 01/04/2018 and 31/03/2019	% of total shares of the company				No. of shares	% of total shares of the company
1.	Jayeshbhai Raichand Bhai Thakkar	2445596	3.95	01/04/2018			2445596	3.95
					No Change	/	359700	0.58
		2445596	3.95	31/03/2019			2445596	3.95
2.	Bhavesh Jayantibhai Desai	129532	0.21	01/04/2018			129532	0.21
					No Change	/	129532	0.21
		129532	0.21	31/03/2019			129532	0.21

V. INDEBTEDNESS

(Rs.in Lakhs)

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0.00	621.97	0.00	621.97
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	0.00	621.97	0.00	621.97
Change in Indebtedness during the financial year				
Addition	0.00	210.40	0.00	210.40
Reduction	0.00	0.00	0.00	0.00
Net Change	0.00	210.40	0.00	210.40
Indebtedness at the end of the financial year				
i) Principal Amount	0.00	411.57	0.00	411.57
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	0.00	411.57	0.00	411.57

VI. REMUNERATION OF DIRECTORS AND KEYMANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole/time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager	Total Amount
		Jayesh Raichandbhai Thakkar	
1	Gross salary		
(a)	Salary as per provisions contained in section17(1) of the Income/tax Act, 1961	12,00,000	12,00,000
(b)	Value of perquisites u/s17(2)Income/taxAct,1961	/	/
(c)	Profits in lieu of salary undersection17(3) Income/tax Act,1961	/	/
2	Stock Option	0.00	0.00
3	Sweat Equity	0.00	0.00
4	Commission	0.00	0.00
	▪ As % of profit	/	/
	▪ Others, specify...	/	
5	Others, please specify Total (A)	0.00	0.00
	Ceiling as per the Act	/	/

	Total A	12,00,000	12,00,000
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[Insertion / J](#)

B. Remuneration to other directors: NOT APPLICABLE

Sr. No.	Particulars of Remuneration	Name of Directors		Total Amount
1	Independent Directors			
	▪ Fee for attending board / committee meetings			
	▪ Commission			
	▪ Others, please specify			
	TOTAL (1)			
2	Other Non/Executive Directors			
	▪ Fee for attending board / committee meetings			
	▪ Commission			
	▪ Others, please (Salary)			
	TOTAL (2)			
	TOTAL (B) = (1) + (2)			
	Total Managerial Remuneration			
	Overall Ceiling as per the Act	Not Applicable		

[Insertion / K](#)

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTB: NOT APPLICABLE

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of				
(b)	Value of perquisites u/s 17(2) Income/tax Act,				
(c)	Profits in lieu of salary under section 17(3) Income/tax				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	▪ as % of profit				
	▪ others, specify...				
5	Others, please specify				
	TOTAL				

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT] Details of Penalty / Punishment / Compounding fees imposed	Appeal made, if any (give Details)
A.COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B.DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

**By Order of the Board
For, Kavit Industries Limited**

Sd/-

**Jayesh R. Thakkar
Chairman
DIN: 01631093**

**Date: 14/08/2019
Place: Vadodara**

Form AOC-1

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

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**Part "A": Subsidiaries (1)**

Sr. No.	Particulars	Details of Companies			
		Kavit Edible oil Limited	Kavit Swachh Organic Food Private Limited	Kavit Infoline Private Limited	Kavit Infra Projects Private Limited
1.	Name of the subsidiary				
2.	Date of Incorporation	06.03.2017	07.11.2016	15.02.2016	13.05.2015
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA	NA	NA
5.	Share capital	5,00,000	1,00,000	1,00,000	1,00,000
6.	Reserves & surplus	10,74,093	Nil	(4,66,515)	Nil
7.	Total assets	2,98,54,186	96,67,895	39,30,685	1,11,7,5736
8.	Total Liabilities	2,82,80,092	95,67,895	42,97,200	1,10,7,5736
9.	Investments	Nil	Nil	Nil	Nil
10.	Turnover	13,28,81,188	Nil	14,83,709	Nil
11.	Profit before taxation	2,78,638	Nil	79,179	Nil
12.	Provision for taxation	1,37,270	Nil	Nil	Nil
13.	Profit after taxation	1,41,368	Nil	79,179	Nil
14.	Proposed Dividend	Nil	Nil	Nil	Nil
	% of shareholding	80%	60%	70%	80%

**By Order of the Board of Directors
For Kavit Industries Limited**

Date : 14.8.2019**Place : Vadodara**

**Sd/-
Jayesh R. Thakkar
Chairman
(DIN:01631093)**

Part “B”: Associates and Joint Ventures

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

Particulars	Details
Name of associates/ Joint Ventures	The Company does not have any joint venture or associate companies
1. Latest audited Balance Sheet Date	
2. Shares of Associate/ Joint Ventures held by the company on the year end	
No. Of Shares	
Amount of Investment in Associate	
Extend of Holding%	
3. Description of how there is significant influence	
4. Reason why the associate/joint venture is not consolidated	
5. Net worth attributable to shareholding as per latest audited Balance Sheet	
6. Profit/Loss for the year	
i. Considered in Consolidation	
ii. Not Considered in Consolidation	

1. Names of associates or joint ventures which are yet to commence operations:
2. Names of associates or joint ventures which have been liquidated or sold during the year:

**By Order of the Board of Directors
For Kavit Industries Limited**

Date : 14.8.2019
Place : Vadodara

**Sd/-
Jayesh R. Thakkar
Chairman
(DIN:01631093)**

REPORT ON CORPORATE GOVERNANCE

The directors present the Company's report on Corporate Governance which sets out systems and processes of the Company as set out in regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and some of the practices followed by the Company on Corporate Governance for the financial year ended on 31st March, 2019.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate governance is an ethically driven business process that is committed to values and conduct aimed at enhancing an organization's wealth generating capacity. This is ensured by taking ethical business decisions and conducting the business with a firm commitment to values, while meeting stakeholders' expectations. Good governance practices stem from the culture and mindset of the organization and at KAVIT INDUSTRIES we are committed to meet the aspirations of all our stakeholders and believes in adopting best corporate practices for ethical conduct of business. It is well recognized that an effective Board of Directors is a pre-requisite for strong and effective corporate governance. Our Board and Committees thereof are formed as per requirement of Companies Act, 2013 read with listing agreement which oversees how the Management serves and protects the long-term interests of all our stakeholders. For effective implementation of the Corporate Governance practices, KAVIT INDUSTRIES has a well-defined policy framework, full filling the criteria of Companies Act and any other Act applicable to the Company.

2. BOARD OF DIRECTORS:

a. Composition of Board of Directors:

The Board of KAVIT INDUSTRIES comprise of optimum combination of Executive (Whole-time) and Non-Executive (Non whole-time) Directors. The composition of the Board of Directors as on 31.03.2019 is given below:-

Sr. No.	Name	Category	Sub Category
1	JAYESH RAICHANDBHAI THAKKAR	Promoter	Managing Director
2	KALYANI CHANDRAKANT RAJESHIRKE	Non -Promoter	Non- Executive Director
3	SALIL SHASHIKANT PATEL		Independent Director
4	KARTIK BAKULCHANDRA MISTRY		Independent Director
5	NARESH ARVIND PATEL		Additional Director
6	HASMUKH DHANJI THAKKAR		Additional Director
7	CHANDRESH KUMAR VISHNU KAHAR		Additional Director

b. Board Meetings:

The Board of Directors oversees the overall functioning of the Company and has set strategic goals in order to achieve its Vision. The Board defines the Company's policy and oversees its implementation in attaining its goal. The Board has constituted various

committees as per the provisions of the Companies Act, 2013 to facilitate the smooth and efficient flow of decision making process.

As per section 165 of the Companies Act, 2013 none of the Director is holding directorship in more than 10 (ten) Public Limited Companies. As per regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, none of the Independent Director is serving as an Independent Director in more than 7(seven) Listed Companies. None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 05 Committees across all the Companies in which he/she is a Director.

The Board of Directors meets at least once in every quarter to approve the financial results in compliance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and more often, if necessity prevails.

During the year 7 board meetings were convened and held on following dates:
18/4/2018, 29/5/2018, 01/07/2018, 14/08/2018, 15/11/2018, 14/2/2019, 04/03/2019

Attendance of each Director at Board Meetings held during 2018-19 and last Annual General Meeting:

Sr. No.	Name	No of Board Meetings attended during 2018-19	Whether present at the last AGM
1	JAYESH RAICHANDBHAI THAKKAR	7	Yes
2	KALYANI CHANDRAKANT RAJESHIRKE	7	Yes
3	SALIL SHASHIKANT PATEL	7	Yes
4	KARTIK BAKULCHANDRA MISTRY	7	Yes
5	KIRTI KRASHNAPRASAD JOSHI*	5	Yes
6	YOGESH HOTCHAND GRIGLANI*	5	Yes
7	CHIRAG VINODCHANDRA THAKKAR*	5	Yes
8	MONISH RAMINDERKUMAR MALHOTRA [#]	3	No
9	NARESH ARVIND PATEL**	5	Yes
10	HASMUKH DHANJIBHAI THAKKAR**	5	Yes
11	CHANDRESHKUMAR VISHNUBHAI KAHAR**	5	Yes

* Resigned as a Director w.e.f. 27/11/2018

[#] Resigned as a Director w.e.f. 16/07/2018

** Appointed as a Director w.e.f 01/07/2018

c. Independent Directors' meeting:

In compliance with Schedule IV to the Companies Act, 2013, the meeting of independent directors was held in the month of March, without the attendance of non-independent directors and members of management, to inter alia:

- i. review the performance of non-independent directors and the Board as a whole;
- ii. review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;

d. Maximum tenure of independent directors

The maximum tenure of independent directors is in accordance with the Companies Act, 2013 and rules made there under, in this regard, from time to time.

e. Formal Letter of appointment to independent directors:

The Company issues a formal letter of appointment to independent directors in the manner as provided in the Companies Act, 2013 and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms and conditions of appointment of independent directors are placed on the Company's website <https://kavitindustries.in/>

f. Board Business:

The normal business of the Board includes:

- framing and overseeing progress of the Company's annual plan and operating framework;
- framing strategies for shaping of portfolio and direction of the Company and for corporate resource allocation; reviewing financial plans of the Company;
- reviewing quarterly and annual business performance of the Company;
- reviewing the Annual Report and accounts for adoption by the Members;
- reviewing the progress of various functions and businesses of the Company;
- reviewing the functioning of the Board and its Committees;
- reviewing the functioning of the subsidiary companies;
- considering and approving declaration / recommendation of dividend;
- reviewing and resolving fatal or serious accidents or dangerous occurrences, any materially significant effluent or pollution problems or significant labour issues, if any;
- reviewing the details of significant development in human resources and industrial relations front;
- reviewing details of foreign exchange exposure and steps taken by the management to limit the risks of adverse exchange rate movement;
- reviewing compliance with all relevant legislations and regulations and litigation status, including materially important show cause, demand, prosecution and penalty notices, if any;
- reviewing Board remuneration policy and individual remuneration packages of Directors;

- advising on corporate restructuring such as merger, acquisition, joint venture or disposals, if any;
- appointing Directors on the Board and Management Committee;
- reviewing Corporate Social Responsibility activities of the Company;
- reviewing details of risk evaluation and internal controls;
- reviewing reports on progress made on the ongoing projects;

g. Code of Conduct:

The Code of Conduct for the Directors and Senior Management Personnel of the Company has been laid down by the Board, which has been circulated to all concerned persons. The Directors and Senior Management Personnel of the Company have affirmed compliance with the provisions of the **KAVIT INDUSTRIES** Code of Conduct for the financial year ended 31.03.2019.

3. COMMITTEES OF THE BOARD:

Currently there are 3 (three) Board Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee

The terms of reference of the Board Committees are determined by the Board from time to time. The role and composition of these committees, including the number of meetings held during the financial year and the related attendance, are provided below:

3.1 AUDIT COMMITTEE :

The Audit Committee has been constituted in line with the provisions of regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') (erstwhile Clause 49 of the Listing Agreement with Stock Exchanges) and also meets the requirements of Section 177 of the Companies Act, 2013. The members of the Audit Committee have requisite financial and management expertise. The role of audit committee and the information to be reviewed by the audit committee shall be as specified in Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Name	Designation	Category of director	No. of meetings 2018-19	Audit Committee attended during 2018-19
Salil Patel	Chairman	Independent Director		4
Monish Malhotra*	Member	Independent Director		1
Kartik Mistry	Member	Independent Director		4
Naresh Patel	Member	Additional Director		3

**Monish Malhotra resigned as a Director w.e.f 16/7/2018*

During the year and as per the requirement of the Act, Four Audit Committee Meetings were held on 29/5/2018, 14/8/2018, 15/11/2018 and 14/2/2019. The Company Secretary acts as the Secretary of the Audit Committee.

a. Powers of Audit Committee:

The audit committee shall have powers, which should include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

b. Role of Audit Committee:

The role of the audit committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of sub-section (5) of section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
 - 5A. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

8. Discussion with internal auditors any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism, in case the same is in existence.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

c. Subsidiary companies

The Company has subsidiary viz. Kavit Edible Oil Ltd., Kavit Swachh Organic Food Pvt. Ltd., Kavit Infoline Pvt. Ltd., Kavit Infra Projects Pvt. Ltd, which however are not 'material' subsidiaries as prescribed under regulation 16 (1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Provisions to the extent applicable as required under the revised SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with reference to subsidiary companies were duly complied. Kavit Foods Pvt. Ltd. is under the process of "STRIKING OFF".

During the year under review, the Audit Committee reviewed the financial statements, including the investments made by subsidiary to the extent applicable. A statement of all significant transactions and arrangements entered into by the subsidiary companies, as applicable, was regularly placed before the Board.

3.2 NOMINATION AND REMUNERATION COMMITTEE:

The Independent Directors are not paid any remuneration except sitting fees for attending meeting of the Board or Committees thereof. However, the Board has constituted a Remuneration Committee to approve certain perquisites for whole-time Functional Directors and below Board level Executives, which are within the powers of the Board as well as to approve performance related pay to the executives of the Company. The Remuneration Committee of the Company meets regularly as per the requirement of the Act and transacts the business accordingly.

a. Term of Reference:

Nomination:

The duties of the Committee in relation to its nominations function shall be:

- i. to be responsible for identifying and nominating, for the approval of the Board and ultimately the shareholders, candidates to fill Board vacancies as and when they arise as well as putting in place plans for succession, in particular with respect to the Chairman of the Board;
- ii. to review regularly the Board structure, size, composition and make recommendations to the Board of adjustments that are deemed necessary, in order

- to ensure an adequate size and a well-balanced composition of the Board and further ensure that a majority of the Board is independent, and to make determinations regarding independence of members of the Board;
- iii. to keep under review the leadership needs of the organisation, both executive and non executive, with a view to ensuring the continued ability of the Company to compete effectively in the market place;
 - iv. to recommend to the Board whether to reappoint a director at the end of their term of office;
 - v. to identify and recommend directors who are to be put forward for retirement by rotation;
 - vi. before appointment is made by the Board, to evaluate the balance of skills, knowledge and experience on the Board, and in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment.

Remuneration:

The duties of the Committee in relation to its remuneration function shall be:

- i. to consider and determine, based on their performance and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board;
- ii. to approve the remuneration of other members of the senior management of the group;
- iii. in relation to the above, the Committee shall at all times give due regard to published or other available information relating to pay, bonuses and other benefits of executives in companies which are comparable to the Company.

b. Composition of Nomination and Remuneration Committee :

Following Directors comprises in Nomination and Remuneration Committee

Name	Designation	Category of director	No. of NRC meetings attended during 2018-19
Salil Patel	Chairman	Independent Director	4
Monish Malhotra*	Member	Independent Director	1
Kartik Mistry	Member	Independent Director	4
Naresh Patel	Member	Addl. Director	3

**Monish Malhotra resigned as a Director w.e.f 16/7/2018*

c. Remuneration Policy

The Board on the recommendation of the Nomination and Remuneration Committee has framed a Remuneration Policy, providing

- (a) criteria for determining qualifications, positive attributes and independence of directors and
- (b) a policy on remuneration for directors, key managerial personnel and other employees.

d. Remuneration to directors

Details of remuneration paid/payable to directors during 2018-19 are provided in the annexure to the Directors' Report in Form MGT-9.

e. Performance evaluation of Independent and BOD

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, and that of its Committees and individual directors. Manner in which formal annual evaluation was made by the Board of its own performance and that of its Committees and directors is given below:

- Rating sheets were filled by each of the directors towards the end of the year with regard to evaluation of performance of the Board, its Committees and Directors (except for the director being evaluated) for the year under review.
- A consolidated summary of the ratings given by each of the directors was then prepared, based on which a report of performance evaluation was prepared by the Chairman in respect of the performance of the Board, its Committees and Directors during the year under review.
- The report of performance evaluation so arrived at was then noted and discussed by the Nomination and Remuneration Committee and Board at their meetings held in March 2018.
- As per the report of performance evaluation, the Board shall determine inter alia whether to continue the term of appointment of the independent director.

3.3 Stakeholders Relationship Committee:

The Shareholders'/Investors Grievance Committee (SIGC) examine the grievances of shareholders/investors and act as the system of redressal of the same. It also approves issuance of share certificates. The Company accords top priority to resolve complaints/grievances/queries of shareholders within a reasonable period of time.

During the year under review there occur no such matters which require the meeting to be conducted of the Stakeholders Relationship Committee. Hence no meetings were held.

4. GENERAL BODY MEETINGS:

The Annual General Meetings of the Company were held at Village Tundao, Taluka Savli, Vadodara-391775, Gujarat, where the Registered Office of the Company is situated. The details of the AGM held for the past three years are as under:-

	2015-16	2016-17	2017-18
Date	28 th September 2016	29 th September 2017	29 th September 2018
Time	9.00 AM	10.30 AM	9.00 AM
No. of Special Resolutions Passed	Nil	Nil	2

5. DISCLOSURES:

a. Disclosure of Material Transactions: Related Party Transaction

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the company. Suitable disclosure as required by the Accounting Standards (AS-18) has been made in the notes to the Financial Statements by the Auditor/s of the Company.

b. Details of non-compliance during the last three years:

The Company has complied with the necessary requirements and no major penalties were enforced on the Company by Stock Exchanges/SEBI or any other statutory authority on any matter related to capital markets during the last three years except nominal amount of penalty imposed by Bombay Stock Exchange for delay reporting.

c. Code of Conduct:

The Company has adopted a code of conduct for its directors and designated senior management personnel. All the Board members and senior management personnel have agreed to follow compliance of code of conduct.

d. Whistle Blower Policy:

The Company has framed a whistle blower policy wherein the employees are free to report any improper activity resulting in violations of laws, rules, regulations or code of conduct by any of the employees, to the Competent Authority or Chairman of the Audit Committee, as the case may be. Any such complaint is reviewed by the Competent Authority or Chairman of the Audit Committee. The confidentiality of those reporting violations shall be maintained and they shall not be subjected to any discriminatory practice. No employee has been denied access to the Audit Committee.

6. GENERAL SHAREHOLDER INFORMATION:

a. Annual General Meeting:

Date: 28th September, 2019

Time: 09:00 A.M

Venue: Village - Tundao, Taluka Savli, Vadodara-391775, Gujarat.

b. Financial Calendar for 2018-19 to approve quarterly / annual financial results:

Unaudited results for the quarter ending on 30th June 2018	14/08/2018
Unaudited results for the quarter ending on 30th September 2018	15/11/2018
Unaudited results for the quarter ending on 31st December 2018	14/02/2019
Audited results for the quarter ending on 31st March 2019	29/05/2019

c. Book Closure Dates: 23/09/2019 to 28/09/2019
(both days inclusive)

d. Listing on Stock Exchanges: Bombay Stock Exchange Ltd.

e. Corporate Identity Number (CIN): The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is **L23100GJ1990PLC014692**

f. Stock Code at BSE: 524444

g. ISIN: INE313M01014

h. Registrar & Transfer Agents (R&T):

M/s. Link Intime India Pvt. Ltd.
C 101, 247 Park,
L.B.S.Marg, Vikhroli (West),
Mumbai - 400083.
Tel.: (22) 25963838,
Fax: (22) 25946969,
E-mail: rnt.helddesk@linkintime.co.in

i. Address for Correspondence:

M/s. Link Intime India Pvt. Ltd.
C 101, 247 Park,
L.B.S.Marg, Vikhroli (West),
Mumbai - 400083.
Tel.: (22) 25963838,
Fax: (22) 25946969,
E-mail: rnt.helddesk@linkintime.co.in

j. Project Location:

Tundao Anjesar Road, Village Tundao,
Taluka Savli, Vadodara-391775, Gujarat.

Date: 14/08/2019

Place: Vadodara

**SD/-
Jayesh R. Thakkar
Chairman**

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

SN	Name(s) of the related party	nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts / arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
NIL									

2. Details of material contracts or arrangement or transactions at arm's length basis:

SN	Name(s) of the related party	nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts / arrangements/transactions	date(s) of approval by the Board, if any	Amount paid as advances, if any:
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1						-

Place: Vadodara
14/08/2019**By Order of the Board
For, Kavit Industries Limited****SD/-
Jayesh Thakkar
Chairman
(DIN:01631093)**

CERTIFICATE ON CORPORATE GOVERNANCE

**To,
The Members,
KAVIT INDUSTRIES LIMITED**

We have examined the compliance of conditions of Corporate Governance by KAVIT INDUSTRIES LIMITED for the financial year ended 2018-19 as stipulated in applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations').

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in applicable provisions of the Regulations.

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

**For M Sahu & Co.
Chartered Accountants,
(Firm Registration No.: 130001W)**

**SD/-
Manoj Kumar Sahu
Partner
(Membership No.: 132623)
Vadodara, 14th August, 2019**

MD CERTIFICATION

**To,
The Board of Directors,
KAVIT INDUSTRIES LIMITED**

Sub.: Financial Statement for the period ended 31 March, 2019

Certification by MD

I, Jayesh R. Thakkar, Managing Director, on the basis of the review of the financial statements and cash flow statement for the year ending 31 March, 2019 and to the best of our knowledge and belief, certify that :-

1. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period ending 31 March, 2019, which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee those deficiencies, of which are aware, in the design or operation of the internal controls and that we have taken the required steps to rectify these deficiencies.
5. We further certify that:
 - a) There have been no significant changes in the internal control over financial reporting during this year.
 - b) There have been no significant changes in the accounting policies this year and that the same have been disclosed in the notes to the financial statements.
 - c) There have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date : 14/08/2019

Place : Vadodara

**SD/-
Jayesh R. Thakkar
Managing Director**

CODE OF CONDUCT COMPLIANCE

**To,
The Members,
KAVIT INDUSTRIES LIMITED**

In accordance with Clause D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (erstwhile Clause 49 of the Listing Agreement with the Stock Exchanges), the Board Members and the Senior Personnel have affirmed compliance with the Code of Conduct for the year ended on 31st March, 2019.

**Date : 14th August, 2019
Place : Vadodara**

For, Kavit Industries Limited

**SD/-
Jayesh R. Thakkar
Chairman**

INDEPENDENT AUDITOR'S REPORT

To the Members of Kavit Industries Limited Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Kavit Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of matter described in the Emphasis of matter paragraph section of our report, the aforesaid standalone financial statements give the information required by the 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, 2019, and profit/loss and other comprehensive income, changes in equity and its cashflows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, 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.

Emphasis of Matter

1. We draw attention that the company has not complied with the provision of the Section 185 and 186 of the Companies Act, 2013, pertaining to the loans and advances granted to the Subsidiaries (Refer Note Number 43).
2. The Company has written off balances of certain debtors and creditors the net effect of the same is Rs. 263.06 Lakhs due to which the profit of the Company has been increased as the same is sowing as Other Income. (Refer Note Number 28).
3. The Company has not filed the requisite form with Registrar of Companies for the increase of the authorized capital of the Company as a result of the same there is difference in the

authorized and paid up capital of the Company and also no provision for stamp duty payable on the increase of authorized capital is provided in the books of accounts. (Refer Note Number 16).

Other Matters

The audited Ind AS financial statements of the Company for the corresponding year ended 31st March 2018 included in these standalone Ind AS financial statements, have been audited by the predecessor auditors whose audit report dated 29th May 2018 expressed an unmodified opinion on those audited standalone Ind AS financial statements. Our opinion is not modified in respect of these matter.

Key Audit Matters

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

1. Evaluation of Disputed tax liabilities:

The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. As per the company's assessment based on the legal opinion received, it has a good chance of getting the demands set aside. We obtained and reviewed details of completed tax assessments and demands for the year ended March 31, 2019 from management. We made an independent assessment to evaluate whether any change was required to management's position on these disputed tax demands and assess if any provisioning is required.

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 Annual 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.

Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (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 accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement 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.

Those 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 Standards on Auditing, 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 Act,

we are also responsible for explaining 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.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including other Comprehensive income, Statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except as stated in Basis of Qualified opinion.
 - e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 A". 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 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 statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For M Sahu & Co

Chartered Accountants

Firm Registration No: 130001W

Partner (Manojkumar Sahu)

Membership No: 132623

Date: 29/05/2019

Place: Vadodara

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 **KAVIT INDUSTRIES LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting 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 internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

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

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M Sahu & Co

Chartered Accountants

Firm Registration No: 130001W

Partner (Manojkumar Sahu)

Membership No: 132623

Date: 29/05/2019

Place: Vadodara

Kavit Industries Limited
CIN L23100GJ1990PLC014692
Standalone Balance Sheet as at 31 March,2019

Particulars	Notes	(₹ in Lacs)	
		As at March 31,2019	As at March 31,2018
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	3	860.74	887.76
(b) Capital work-in-progress		-	-
(c) Intangible Assets	3	1.58	2.35
(d) Investments in subsidiary	4	6.80	6.80
(e) Financial Assets			
(i) Investments	5	0.52	0.55
(ii) Loans	6	2,518.81	3,134.95
(iii) Trade Receivables	7	9,446.33	9,474.39
(iv) Other Financial Assets	8	740.16	-
(f) Other Non Current Assets	9	109.60	110.55
(g) Deferred tax assets (Net)	10	1.70	-
Current assets			
(a) Inventories	11	52.73	50.56
(b) Financial Assets			
(i) Trade receivables	12	5,474.36	3,334.66
(ii) Cash and cash equivalents	13	33.80	17.38
(iii) Loans	14	2,923.65	3,583.53
(c) Other current assets	15	-	0.16
Total Assets		22,170.79	20,603.65
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	16	6,193.33	6,193.33
(b) Other Equity	17	1,285.85	1,129.78
Total equity attributable to equity holders of the Company		7,479.18	7,323.12
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	399.62	533.48
(ii) Trade Payable	19	9,594.73	11,384.19
(ii) Non Current - Other Financial Liabilities	20	131.24	-
(b) Deferred tax liabilities (Net)	21	-	2.27
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	79.76	56.58
(ii) Trade payables	23	4,346.44	1,263.63
(iii) Other financial liabilities	24	40.88	13.09
(b) Other current liabilities	25	2.77	1.08
(c) Provisions	26	96.18	26.22
Total Liabilities		14,691.61	13,280.53
Total Equity and Liabilities		22,170.79	20,603.65

Summary of significant accounting policies 1 & 2

The accompanying notes are an integral part of the financials statements.

This is the Balance Sheet referred to in our report of even date

As Per Our Report Of Even Date

For M Sahu & Co

Chartered Accountants

ICAI Firm Registration No.: 130001W

For and on behalf of the Board of Directors of

Kavit Industries Limited

Manojkumar Sahu

Partner

Membership No. 132623

Jayesh Thakkar

Managing director

Kartik Mistry

Director

Vadodara, 29th May, 2019

Bhavesh Desai

CFO

Kavit Industries Limited**Standalone Statement of Profit and Loss for the year ended March 31,2019****(₹ in Lakhs)**

Particulars	Notes	For the year ended 31st March 2019	For the year ended 31st March 2018
Income			
Revenue from Operation	27	9,197.95	6,775.63
Other Income	28	289.36	127.30
Total Revenue		9,487.31	6,902.93
Expenses			
Cost of Material Consumed	29	-	-
Purchases of stock-in-trade	30	9,142.93	6,493.16
Changes in inventories of finished goods, WIP	31	(2.17)	28.41
Employee benefits expense	32	21.89	59.62
Finance costs	33	1.41	1.76
Other expenses	34	70.27	237.88
Depreciation and amortization expense		31.72	17.66
Total Expenses		9,266.04	6,838.50
Profit before Tax		221.27	64.44
Tax Expenses			
Current Tax		71.57	19.87
Deferred Tax		(4.57)	-
Profit/(loss) for the period		154.27	44.56
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
- Remeasurement of Defined benefit plans		(2.42)	0.13
- Equity instruments through other comprehensive income		(0.03)	-
A (ii) Income tax relating to items that will not be reclassified to profit or loss			
- Remeasurement of Defined benefit plans		0.61	(0.04)
- Equity instruments through other comprehensive income		-	-
Total other comprehensive income		(1.84)	0.08
Total comprehensive income for the period		156.11	44.48
Earnings per equity share:			
(1) Basic		0.25	0.07
(2) Diluted		0.25	0.07
Summary of significant accounting policies	1 & 2		

The accompanying notes are an integral part of the financials statements.

This is the Statement of Profit & Loss referred to in our report of even date

As Per Our Report Of Even Date

For M Sahu & Co

Chartered Accountants

ICAI Firm Registration No.: 130001W

For and on behalf of the Board of Directors of

Kavit Industries Limited

Manojkumar Sahu

Partner

Membership No. 132623

Vadodara, 29th May, 2019

Jayesh Thakkar

Managing director

Kartik Mistry

Director

Bhavesh Desai

CFO

Kavit Industries Limited
Standalone Cash Flow Statement for the year ended March 31, 2019

	(₹ in Lakhs)	
Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
A. Cash Flow from Operating Activities :		
Net Profit before Tax	221.27	64.44
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and Amortisation Expense	31.72	17.66
Other non-operating income (Incl Written - off)	(263.06)	(48.86)
Bad Debts	35.01	-
Interest Income	(5.89)	-
Interest Expense	1.06	0.26
Preliminary Expenses Written off	1.39	14.07
Dividend Income	(0.01)	(0.01)
Income Tax Provisions	-	(20.00)
Operating Profit before Working Capital changes	21.49	27.56
Movement in Working Capital :		
(Increase)/Decrease in Inventories	(2.17)	28.41
(Increase)/Decrease in Trade Receivables	(2,111.65)	1,134.91
(Increase)/Decrease in Loans	659.88	-
(Increase)/Decrease in Other Assets	0.16	-
Increase/(Decrease) in Trade Payable	1,293.35	(2,300.84)
Increase/(Decrease) in Short Term Borrowings	23.18	-
Increase/(Decrease) in Other Current Liability	29.47	(177.23)
Increase/(Decrease) in Provisions	-	(28.34)
Cash Generated from Operation	(86.30)	(1,315.53)
Direct Tax Paid (Net of Refunds)	(42.79)	-
Net Cash inflow from/ (outflow) from Operating activities (A)	(129.09)	(1,315.53)
B. Cash Flow from Investing Activities :		
Purchase of fixed assets	(3.92)	(658.68)
Sales of Investments	-	94.41
Interest received	5.89	48.86
Dividend received	0.01	(0.01)
Net Cash inflow from/ (outflow) from Investing Activities (B)	1.98	(515.42)
C. Cash Flow from Financing Activities :		
Proceeds / (Repayment) from Long Term Borrowings (Net)	20.56	165.78
Repayment / (Proceeds) received from Loans and Advances (Net)	124.02	954.04
Interest paid	(1.06)	(0.26)
Proceeds of Share Application money/Share Capital	-	654.42
Net Cash inflow from/ (outflow) from Financing activities (C)	143.51	1,773.98
Net increase / (decrease) in cash and cash equivalents (A+B+C)	16.41	(56.97)
Cash and Cash Equivalents at the beginning of the year	17.38	74.34
Cash and Cash Equivalents at the end of the year	33.79	17.37
Components of Cash and cash equivalents		
Cash on hand	28.29	13.35
With Banks		
- on Current Account	5.51	4.03
Cash and Cash equivalents	33.80	17.38

The accompanying notes are an integral part of the financials statements.

The cash flow statement has been prepared under the indirect method as set out in the Indian Accounting Standard (Ind AS 7) statement of cash flows.

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

As Per Our Report Of Even Date
For M Sahu & Co
Chartered Accountants
ICAI Firm Registration No.: 130001W

For and on behalf of the Board of Directors of
Kavit Industries Limited

Manojkumar Sahu
Partner
Membership No. 132623
Vadodara, 29th May, 2019

Jayesh Thakkar
Managing director

Kartik Mistry
Director

Bhavesh Desai
CFO

Kavit Industries Limited
Standalone Statement Of Changes In Equity For The Year Ended 31st March, 2019
a. EQUITY SHARE CAPITAL:
₹ in Lakhs

	Notes	Amount
Balance as at 1 April, 2017	14	619.33
Changes in equity share capital during the year		-
Balance as at 31 March, 2018	14	619.33
Changes in equity share capital during the year		-
Balance as at 31 March, 2019	14	619.33

b. OTHER EQUITY:
₹ in Lakhs

Particulars	Reserves and Surplus				Total Equity
	Security Premium Reserve	Revaluation Reserves	Retained Earnings	FVOCI - Equity Investment reserve	
Balance as at April 01, 2017	451.67	-	(20.79)	(49.97)	380.91
Profit for the year	-	-	44.56	-	44.56
Remeasurement of post employment benefit obligation (net of tax)	-	-	(0.08)	-	(0.08)
Other Comprehensive income for the year	-	-	-	(0.24)	(0.24)
Addition during the year	-	704.63	-	-	704.63
Total comprehensive income for the year	451.67	704.63	23.69	(50.21)	1,129.78
Balance as at March 31, 2018	451.67	704.63	23.69	(50.21)	1,129.78
Balance as at April 01, 2018	451.67	704.63	23.69	(50.21)	1,129.78
Profit for the year	-	-	154.27	-	154.27
Addition during the year	-	-	-	-	-
Remeasurement of post employment benefit obligation (net of tax)	-	-	1.82	-	1.82
Other Comprehensive income for the year	-	-	-	(0.03)	(0.03)
Total comprehensive income for the year	-	-	156.09	(0.03)	156.07
Balance as at March 31, 2019	451.67	704.63	179.78	(50.23)	1,285.85

The accompanying notes are an integral part of the financials statements.

This is the Statement of Changes in Equity referred to in our report of even date

As Per Our Report Of Even Date

For M Sahu & Co

Chartered Accountants

ICAI Firm Registration No.: 130001W

For and on behalf of the Board of Directors of

Kavit Industries Limited

Manojkumar Sahu

Partner

Membership No. 132623

Vadodara, 29th May, 2019

Jayesh Thakkar

Managing director

Bhavesh Desai

Director

Bhavesh Desai

CFO

Kavit Industries Limited
Notes To Stand Alone Financial Statements For The Year Ended 31st March, 2019

3 Property, Plant & Equipment

Particulars	Freehold Land	Building	Plant & Machinery	Furniture & Fixtures	Office Equipments	Computers	Weight Bridge	Laboratory Equipment	Air conditioner	CCTV	TOTAL (A)	Software	TOTAL (B)	GRAND TOTAL (A) + (B)
Gross carrying amount:														
Gross carrying amount as at 01/04/2018	717.57	60.11	127.39	0.30	0.70	3.27	0.58	0.24	1.60	1.30	913.06	2.38	2.38	915.44
Additions	-	-	1.50	-	-	-	-	-	2.42	-	3.92	-	-	3.92
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross carrying amount As at 31/03/2019	717.57	60.11	128.89	0.30	0.70	3.27	0.58	0.24	4.02	1.30	916.98	2.38	2.38	919.36
Accumulated Depreciation as at 01/04/2018	-	13.15	10.41	0.02	0.08	1.27	0.01	0.01	0.18	0.17	25.30	0.03	0.03	25.33
Charge for the period	-	3.27	25.53	-	0.15	1.46	0.23	-	0.22	0.09	30.94	0.77	0.77	31.72
Sales/transferred/written off	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation as at 31/03/2019	-	16.43	35.93	0.02	0.23	2.73	0.24	0.01	0.40	0.26	56.24	0.80	0.80	57.05
Net carrying amount:														
Carrying amount as at 31/03/2019	717.57	43.68	92.95	0.28	0.48	0.54	0.34	0.23	3.62	1.04	860.74	1.58	1.58	862.31
Carrying amount as at 31/03/2018	717.57	46.95	116.98	0.28	0.62	2.00	0.57	0.23	1.42	1.13	887.76	2.35	2.35	890.11

For Kavit Industries Limited

Director

Kavit Industries Limited**Notes To Stand Alone Financial Statements For The Year Ended 31st March, 2019****4 Investment in Subsidiary****₹ in Lakhs**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Investment in Equity Instruments (Unquoted) Carried at cost (Fully Paid)		
Kavit Edible Oil Limited 40,000 (31st March 2018: 40,000) equity shares of ₹ 10 each)	4.00	4.00
Kavit Foods Private Limited 7,000 (31st March 2018: 7,000) equity shares of ₹ 10 each)	0.70	0.70
Kavit Infoline Private Limited 7,000 (31st March 2018: 7,000) equity shares of ₹ 10 each)	0.70	0.70
Kavit Infra Projects Private Limited 8,000 (31st March 2018: 8,000) equity shares of ₹ 10 each)	0.80	0.80
Kavit Swach Organic Food Private Limited 6,000 (31st March 2018: 6,000) equity shares of ₹ 10 each)	0.60	0.60
Total	6.80	6.80

5 Investments**₹ in Lakhs**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Investments at Fair Value through Other Comprehensive Income		
Investment in Equity Instruments (Quoted fully paid up)		
51,600 (31st March 2018: 51,600) Equity shares of Aadhaar Venture Limited of ₹ 10/- each (Formerly known as Prraneta Industries Limited)	0.25	0.28
Investment in Equity Instruments (Unquoted fully paid up)		
2,700 (31st March 2018: 2,700) Equity shares of Omkar Powertech India Private Limited of ₹ 10/- each	0.27	0.27
Total	0.52	0.55
Aggregate book value of quoted investment	0.25	0.28
Aggregate Market value of quoted investment	0.25	0.28
Aggregate Value of unquoted investment	0.27	0.27

For Kavit Industries Limited**Director**

Kavit Industries Limited**Notes To Stand Alone Financial Statements For The Year Ended 31st March, 2019****6 Loans**

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured, considered good - at amortised cost		
i) Loans and Advances to related parties		
To Corporates	67.95	94.54
To Non Corporates	89.73	112.14
ii) Other Loans and Advances		
To Others	2,349.78	2,916.92
iii) Security and other deposits	11.36	11.36
Total	2,518.81	3,134.95

7 Trade Receivables

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Unsecured, Considered good	9,446.33	9,474.39
Total	9,446.33	9,474.39

8 Other Financial Assets

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deferred Expense Assets	740.16	-
Total	740.16	-

9 Other Non Current Assets

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured, considered good		
Deferred Revenue Expenditures	48.62	50.01
Balance with government authorities		
- VAT / Excise / GST receivable	15.38	17.95
- Taxes paid under protest	32.53	30.48
- Tax deducted at source - (Net of Provisions for Taxation)	13.08	12.11
Total	109.60	110.55

For Kavit Industries Limited

Director

Kavit Industries Limited**Notes To Stand Alone Financial Statements For The Year Ended 31st March, 2019****10 Deferred Tax Assets (Net)**

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deferred Tax Assets		
Related to Property, Plant & Equipment's and Intangible Assets	2.26	-
Remeasurement of Defined Benefit Plan	(0.56)	-
Total	1.70	-

11 Inventories

(Valued at lower of Cost or Net Realisable Value)

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Raw Material	6.98	6.98
(b) Finished Goods	45.76	43.59
Total	52.73	50.56

12 Trade Receivables

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Unsecured, Considered good*	5,474.36	3,334.66
Total	5,474.36	3,334.66

* Trade Receivable includes debtors Rs. 8.14 Lacs (PY Rs. 45.15 Lacs) due to related parties

13 Cash and cash equivalents

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
(i) Balances with banks		
(a) In current accounts	5.51	4.03
(ii) Cash in hand*	28.29	13.35
Total	33.80	17.38

* We have not verified physical cash balance as on 31/03/2019 and relied on the documents and records produced before us for reconciliation of cash balance.

For Kavit Industries Limited

Director

Kavit Industries Limited**Notes To Stand Alone Financial Statements For The Year Ended 31st March, 2019****14 Loans****₹ in Lakhs**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured, considered good		
(a) Loans and Advances to subsidiaries	263.38	489.01
(b) Loans and Advances to other associates and related parties	127.12	220.40
(c) Loans and Advances to other parties	2,036.96	2,568.17
(d) Loans and Advances to suppliers	496.19	305.95
Total	2,923.65	3,583.53

15 Other Current Assets**₹ in Lakhs**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured, considered good		
(a) Duties and Taxes Receivables	-	-
(b) Others	-	0.16
Total	-	0.16

For Kavit Industries Limited**Director**

Kavit Industries Limited**Notes To Stand Alone Financial Statements For The Year Ended 31st March, 2019****16 Equity Share capital****16.1 Authorised Share Capital ***

Particulars	Equity Share Capital	
	No. of Shares	Amount (₹ in Lakhs)
As At 1 April, 2017	4,65,00,000	4,650
Increase /(decreased) during the year	-	-
As At 31 March, 2018	4,65,00,000	4,650
Increase /(decreased) during the year	-	-
As At 31 March, 2019	4,65,00,000	4,650

** In the year 2014-2015, the Company has increased its authorised capital to ₹ 4650 Lakhs and made allotment of shares at premium of ₹ 5 per shares. The Company in its Annual General Meeting dated 25th September 2015 increased authorised capital from ₹ 4650 Lakhs to ₹ 6645 Lakhs but the same is not being implemented by filling form SH - 7 (form for Increase in Authorised Capital) with ROC. Moreover, the Company has issued Bonus Shares of ₹ 15.48 Lakhs during the year 2015-2016 resultantly, the paid up capital of the Company increased to ₹ 6193 Lakhs but authorised capital is remained the same. The Company is in the process of filling the Form and rectifying the difference in the Authorised capital and paid up capital.*

16.2 Issued Share Capital

Particulars	Equity Share Capital	
	No. of Shares	Amount (₹ in Lakhs)
As At 1st April 2017	6,19,33,333	6,193
Increase /(decreased) during the year	-	-
As At 31 March, 2018	6,19,33,333	6,193
Increase /(decreased) during the year	-	-
As At 31 March 2019	6,19,33,333	6,193

For Kavit Industries Limited**Director**

Kavit Industries Limited**Notes To Stand Alone Financial Statements For The Year Ended 31st March, 2019****16.3 Terms/ right attached to equity shares**

The Company has only one class of equity shares of par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

16.4 Shares held by shareholders each holding more than 5% of the shares

Shareholders	As At 31 March, 2019		As At 31 March, 2018	
	No. of shares	Percentage	No. of shares	Percentage
Raghuvir International Pvt. Ltd.	1,28,38,850	20.73%	1,28,38,850	20.73%
Shree Saibaba Exim Pvt. Ltd.	97,38,333	15.72%	97,38,333	15.72%
Silver cade Trading Pvt. Ltd.	43,75,964	7.07%	53,33,333	8.61%
Aprateem Trading	45,97,414	7.42%	-	0.00%
Krystalklear Properties Pvt. Ltd.	33,70,000	5.44%	52,00,000	8.40%
Saint Infrastructure Pvt. Ltd.	30,61,666	4.94%	42,66,666	6.89%
Gill Entertainment Pvt. Ltd.	41,33,228	6.67%	41,33,333	6.67%
Golding Mercantile Pvt. Ltd.	-	0.00%	38,00,000	6.14%
Indivar Traders Pvt. Ltd.	40,08,522	6.47%	38,66,666	6.24%

As per records of the company, including its register of Shareholders / Members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Rights as to Dividend

The Equity shareholders have right dividend when declared by the Board of Directors subject to approval in the ensuring Annual General Meeting.

Right pertaining to repayment of Capital

In the event of liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be according to the shareholders rights and interest in the company.

For Kavit Industries Limited

Director

Kavit Industries Limited**Notes To Stand Alone Financial Statements For The Year Ended 31st March, 2019****17 Other Equity**

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
(a) Security Premium Reserve	451.67	451.67
(b) Equity Instruments through Other Comprehensive Income (Refer below Note (i))	(50.23)	(50.21)
(c) Revaluation Reserve	704.63	704.63
(d) Retained Earnings (Refer below Note (ii))	179.78	23.69
Total	1,285.85	1,129.78

Note:

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
(i) Equity Instruments through Other Comprehensive Income		
As per last Balance Sheet	(50.21)	(49.97)
Add/Less : Additions/(Deletions) during the year	(0.03)	(0.24)
	(50.23)	(50.21)
(ii) Retained Earnings		
Add : Profit/(Loss) for the year as per Statement of Profit and Loss	23.69	(20.79)
Add: Remeasurement of the Net Defined benefit liability/asset, net of tax effect	154.27	44.56
Add: Remeasurement of the Net Defined benefit liability/asset, net of tax effect	1.82	(0.08)
Less : Corporate Dividend Tax on Interim Dividend	-	-
	179.78	23.69

For Kavit Industries Limited

Director

Kavit Industries Limited**Notes To Stand Alone Financial Statements For The Year Ended 31st March, 2019****18 Borrowings**

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured - at amortized cost		
i) Loans and Advances from related parties		
From Directors	-	-
From Corporates	93.04	122.66
ii) Loans and Advances from Others		
From Others	306.58	410.82
Total	399.62	533.48

19 Trade Payable

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Trade payables	9,594.73	11,384.19
Total	9,594.73	11,384.19

20 Non Current - Other Financial Liabilities

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deferred Income Liabilities	128.43	-
Defined Benefit Plan	2.81	
Total	131.24	-

21 Deferred Tax liabilities(Net)

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deferred Tax Liability		
Related to Property, Plant & Equipment's and Intangible Assets	-	(0.04)
Remeasurement of Defined Benefit Plan	-	2.31
Total	-	2.27

For Kavit Industries Limited

Director

Kavit Industries Limited**Notes To Stand Alone Financial Statements For The Year Ended 31st March, 2019****22 Borrowings**

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Loans from Others	79.76	56.58
Total	79.76	56.58

23 Trade Payables

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Trade payables	4,346.44	1,263.63
Total	4,346.44	1,263.63

24 Other Financial Liabilities

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Advances received from customers	1.87	13.09
Other Financial Liabilities	39.01	-
Total	40.88	13.09

25 Other Current Liabilities

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Other Current Liability		
(a) Statutory dues payable	2.71	1.08
(b) Defined Benefit Plan	0.05	-
Total	2.77	1.08

26 Provisions

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Provision for Expenses	3.08	4.69
(b) Provision for Taxation	93.10	21.53
Total	96.18	26.22

For Kavit Industries Limited

Director

Kavit Industries Limited**Notes To Stand Alone Financial Statements For The Year Ended 31st March, 2019****27 Revenue from Operations**

Particulars	For the Period ended 31 March, 2019	For the Period ended 31 March, 2018
Trading Sales of Products	9,197.95	6,775.63
Total	9,197.95	6,775.63

28 Other Income

Particulars	For the Period ended 31 March, 2019	For the Period ended 31 March, 2018
(a) Interest Income	5.89	16.46
(b) Dividend Income	0.01	0.01
(c) Sundry Balances Written off*	263.06	-
(d) Miscellaneous Income	1.40	6.98
(e) Other non-operating income	-	48.85
(f) Rent Income	19.00	6.00
(g) Profit on sale of Shares	-	49.00
Total	289.36	127.30

**During the year the Company has written off credit balance of the Trade Payables and the same is shown as Other Income in the Statement of Profit & Loss Account.*

29 Cost of materials consumed

Particulars	For the Period ended 31 March, 2019	For the Period ended 31 March, 2018
Raw Material Consumption		
Opening Stock	6.98	6.98
Add: Purchases	-	-
	6.98	6.98
Less: Closing stock	6.98	6.98
Cost of Material Consumed	-	-
Total	-	-

For Kavit Industries Limited

Director

Kavit Industries Limited**Notes To Stand Alone Financial Statements For The Year Ended 31st March, 2019****30 Purchase of Traded Goods**

Particulars	For the Period ended 31 March, 2019	For the Period ended 31 March, 2018
Trading Purchases	9,141.49	6,460.20
Purchase of Packing Material	1.44	32.96
Total	9,142.93	6,493.16

31 Changes in Inventories of Finished Good, Work in Progress and Stock in Trade

Particulars	For the Period ended 31 March, 2019	For the Period ended 31 March, 2018
<u>Inventory at the beginning of the year</u>		
Finished Goods	43.59	72.00
Work in Progress	-	-
	43.59	72.00
<u>Inventory at the end of the year</u>		
Finished Goods	45.76	43.59
Work in Progress	-	-
	45.76	43.59
Net Changes in Inventories	(2.17)	28.41

32 Employee Benefit Expenses

Particulars	For the Period ended 31 March, 2019	For the Period ended 31 March, 2018
Salaries, wages , bonus, allowances ,etc.	19.92	59.62
Contributions to Provident and Other Fund	1.97	0.00
Total	21.89	59.62

33 Finance Costs

Particulars	For the Period ended 31 March, 2019	For the Period ended 31 March, 2018
Interest expense	1.06	0.26
Bank Charges	0.35	1.50
Total	1.41	1.76

For Kavit Industries Limited

Director

Kavit Industries Limited**Notes To Stand Alone Financial Statements For The Year Ended 31st March, 2019****34 Other Expenses**

Particulars	For the Period ended 31 March, 2019	For the Period ended 31 March, 2018
Advertisement Expenses	1.19	9.44
Audit Fees	2.76	1.00
Brokerage & Commission	-	1.38
Conveyance Expenses	-	0.39
Donation Expenses	-	0.10
Electricity Expenses	0.68	2.20
Factory Expense	0.20	0.50
Freight & Carting Charges	1.35	21.14
Insurance Expenses	0.16	0.89
Internet & Telephone Expense	0.23	2.00
Legal & Professional Fees	8.11	10.02
Other Misc. Expenses	6.43	94.19
Office Building Maintenance Expenses	-	1.22
Office & Miscellaneous Expenses	0.05	10.96
Printing & Stationery Expenses	0.23	5.78
Profit & Loss on Trading of F&O	-	60.10
Prior Period Expenses	8.62	3.23
Rates & Taxes	4.32	3.60
Repairs & Maintenance	0.03	-
Hotel & Lodging & Lunch and Refreshment Exp	-	1.97
Bad Debts	35.01	1.52
Loss on Sauda	-	1.19
Transportation Expenses	-	0.04
Travelling Expenses	0.89	5.01
Total	70.27	237.88

For Kavit Industries Limited**Director**

Kavit Industries Limited**Notes To Stand Alone Financial Statements For The Year Ended 31st March, 2019****35 Earnings per share (EPS)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

i. Profit attributable to Equity holders of Company

	₹ in Lakhs	
	March 31, 2019	March 31, 2018
Profit attributable to equity holders of the Company for basic and diluted earnings per share	154.27	44.56

ii. Weighted average number of ordinary shares

	March 31, 2019	March 31, 2018
Weighted average number of shares at March 31 for basic and diluted earnings per shares	6,19,33,333	6,19,33,333

Basic earnings per share (in ₹)	0.25	0.07
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36 Additional information to the financial statements**(A) Contingent Liabilities and Capital Commitments**

	₹ in Lakhs	
Particulars	As at 31 March, 2019	As at 31 March, 2018
(a) Contingent Liabilities		
(i) Claims against the Company not acknowledge as debts (on account of outstanding law suits)	-	-
(ii) Guarantees given by Banks to third parties on behalf of the company	-	-
(b) No provision has been made for following demands raised by the authorities since the company has reason to believe that it would get relief at the appellate stage as the said demand are excessive and erroneous		
(i) Disputed Income Tax Liability		
Against Which amount already paid As at March 31, 2019 ₹ 32.53 lakhs (As at March 31, 2018 ₹ 30.48 lakhs)	2,342.56	2,342.56
(c) Commitments		
Estimated amount of contracts remaining to be executed on capital account & not provided for (Net of Advances)	-	-

(B) Auditor's Remuneration

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Audit Fees (Including for Quarterly limited review)	2.76	1.00
For Certification work	-	-
Fees for other services	0.90	-
Total	3.66	1.00

For Kavit Industries Limited

Director

Kavit Industries Limited
Notes To Stand Alone Financial Statements For The Year Ended 31st March, 2019
37 FAIR VALUE MEASUREMENTS
Financial instruments by category
₹ in Lakhs

	As at March 31, 2019			As at March 31, 2018		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Investments						
- Equity Instruments	-	0.52	-	-	0.55	-
Loans and Deposit			5,442.47			6,718.48
Trade Receivables	-	-	14,920.69	-	-	12,809.04
Cash and Cash Equivalents	-	-	33.80	-	-	17.38
Bank Balances other than above	-	-	-	-	-	-
Other Financial Assets	-	-	740.16	-	-	-
Total Financial Assets	-	0.52	21,137.12	-	0.55	19,544.91
Financial Liabilities						
Borrowings	-	-	479.38	-	-	590.06
Other Current financial Liabilities	-	-	172.12	-	-	13.09
Trade payables	-	-	13,941.17	-	-	12,647.81
Total Financial Liabilities	-	-	14,592.66	-	-	13,250.96

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial Assets and Liabilities measured at fair value - recurring fair value measurements

As at March 31, 2019	Notes	Level 1	Level 2	Level 3
Financial Assets at FVOCI				
Equity Instruments	5	0.25	0.27	-
Financial Assets at amortised cost				
Deposits	6	-	-	-
Total Financial Assets		0.25	0.27	-
Financial Liabilities at amortised cost				
Borrowings (Non Current)	18	-	-	-
Total Financial Liabilities		-	-	-

Financial Assets and Liabilities measured at fair value - recurring fair value measurements

As at March 31, 2018	Notes	Level 1	Level 2	Level 3
Financial Assets at FVOCI				
Equity Instruments	5	0.28	0.27	-
Financial Assets at amortised cost				
Deposits	6	-	-	-
Total Financial Assets		0.28	0.27	-
Financial Liabilities at amortised cost				
Borrowings (Non Current)	18	-	-	-
Total Financial Liabilities		-	-	-

For Kavit Industries Limited
Director

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between levels 1 and 2 during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted analysis.

All of the resulting fair value estimates are included in level 1 or 2 except for unlisted equity securities where the fair values have been determined based on present values and the discount rates used were adjusted for counter party or own credit risk.

The carrying amounts of trade receivables, electricity deposit, employee advances, cash and cash equivalents and other short term receivables, trade payables, unclaimed dividend, borrowings, and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

For Kavit Industries Limited

Director

38 FINANCIAL RISK MANAGEMENT

The company's activities expose it to market risk, liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Company, through its training, standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

(A) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

(i) Trade receivables

The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. However, based on historical data, there were no significant bad debts written off nor provision for doubtful debts had been created. Further there is no Trade Receivables outstanding for more than 6 months at reporting date. Hence, allowances for doubtful debt has not been created.

(ii) Cash and cash equivalents

As at the year end, the Company held cash and cash equivalents of ₹ 33,79 Lacs (31.03.2017 ₹ 17.38 Lakhs). The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating.

(iii) Loans and advances

In the case of loans to employees, the same is managed by establishing limits. (Which in turn based on the employees salaries and number of years of service put in by the concern employee)

(iv) Other Financial Assets

Others Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

(B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Kavit Industries Limited**Notes To Stand Alone Financial Statements For The Year Ended 31st March, 2019****Maturities of financial liabilities**

The tables herewith analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities

Particulars	Less than 1 year	More than 1 years	Total
As at March 31, 2019			
Non-derivatives			
Borrowings	79.76	399.62	479.38
Other financial liabilities	40.88	131.24	172.12
Trade payables	4,346.44	9,594.73	13,941.17
Total Non-derivative liabilities	4,467.07	10,125.59	14,592.66
As at March 31, 2018			
Non-derivatives			
Borrowings	56.58	533.48	590.06
Other financial liabilities	13.09	-	13.09
Trade payables	1,263.63	11,384.19	12,647.81
Total Non-derivative liabilities	1,333.29	11,917.67	13,250.96

(C) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are not exposed to market risk primarily related to foreign exchange rate risk.

(D) CAPITAL MANAGEMENT

For the purpose of Company's Capital Management, equity includes equity share capital and all other equity reserves attributable to the equity holders of the Company. The Company manages its capital to optimise returns to the share holders and make adjustments to it in light of changes in economic conditions or its business requirements. The Company's objective is to safe guard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to share holders through continuing growth and maximise the shareholders value. The Company funds its operations through internal accruals and long term borrowings competitive rate. The Management and Board of Directors monitor the return of capital as well as the level of dividend to share holders.

For Kavit Industries Limited

Director

39 Employee benefits
[a] Defined benefit plan:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded. The following tables summaries the components of net benefit expense recognized in the Statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at March 31, 2019.

a) Reconciliation in present value of obligations (PVO) - defined benefit obligation:	Gratuity - Funded as on	
	March 31, 2019	March 31, 2018
PVO at the beginning of the year	4.58	3.42
Current service cost	0.35	0.77
Interest cost	0.35	0.26
Actuarial (Gains)/Losses	(2.42)	0.13
Benefits paid	-	-
Accrued Payment	-	-
PVO at the end of the year	2.86	4.58
b) Change in fair value of plan assets:	Gratuity - Funded as on	
	March 31, 2019	March 31, 2018
Fair value of plan assets at the beginning of the year	-	-
Adjustment to opening fair value of plan assets	-	-
Expected return on plan assets	-	-
Actuarial Gains/(Losses)	-	-
Contributions by the employer	-	-
Benefits paid	-	-
Fair value of plan assets at the end of the year	-	-
c) Reconciliation of PVO and fair value of plan assets:	Gratuity - Funded as on	
	March 31, 2019	March 31, 2018
PVO at the end of period	2.86	4.58
Fair value of planned assets at tend of year	-	-
Funded status	2.86	4.58
Net asset/(liability) recognised in the balance sheet	2.86	4.58
d) Net cost for the year ended:	Gratuity - Funded as on	
	March 31, 2019	March 31, 2018
Current service cost	0.35	0.77
Interest cost	0.35	0.26
Expected return on plan assets	-	-
Actuarial (Gains)/ Losses	(2.42)	0.13
Net cost	(1.72)	1.16
e) Amount recognised in Other Comprehensive Income	Gratuity - Funded as on	
	March 31, 2019	March 31, 2018
Actuarial (Gains)/ Losses	(2.42)	0.13

Kavit Industries Limited**Notes To Stand Alone Financial Statements For The Year Ended 31st March, 2019**

f) Major category of assets as at:	Gratuity - Funded as on	
	March 31, 2019	March 31, 2018
Insurer Managed funds		
Equity (%)	0%	0%
Debt (%)	0%	0%
Total (%)	0%	0%
g) Assumption used in accounting for the gratuity plan:	Gratuity - Funded as on	
	March 31, 2019	March 31, 2018
Discount rate (%)	7.70%	7.70%
Salary escalation rate (%)	7.00%	7.00%
Expected return on plan assets (%)	0.00%	0.00%

Note 1: Discount rate is determined by reference to market yields at the balance sheet date on Government bonds, where the currency and terms of the Government bonds are consistent with the currency and estimated terms for the benefit obligation.

Note 2: The estimate of future salary increases taken into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Note 3: The gratuity provision as described above is not invested or funded in any Investments options.

Kavit Industries Limited

Director

Kavit Industries Limited**Notes To Stand Alone Financial Statements For The Year Ended 31st March, 2019****40 Related Party Disclosures****(i) Name of the related parties and description of relationship with whom transactions have taken place:**

Subsidiary Companies	Kavit Edible Oil Limited Kavit Infoline Private Limited Kavit Infra Projects Private Limited Kavit Swach Organic Food Private Limited Kavit Food Private Limited
Enterprises owned or significantly influenced by key management personnel or their relatives	Kavit Logistics Pacific Finstock Private Limited Pacific Health Informatic Sauver Finvest Mutal Benefits Limited Natural Expo Agro Industries Limited Raghuvir Internation Private Limited Shree Saibaba Exim Private Limited N A Corporation Private Limited
Key Management Personnel and their relatives	Jayesh Raichandbhai Takkar Bhavesh Jayantibhai Desai Nareshbhai Arvindbhai Patel Hasmukhbhai Dhanjibhai Thakkar Chandreshkumar Vishnubhai Kahar Kalyani Chandrakant Rajeshirke Salil Shahikant Patel Kiritkumar Bakulchand Mistry Harish Govindram Punwani Kavit Jayesh Thakkar

(ii) Particluars of Transactions with Related Parties

Transactions with related parties for the year ended March 31, 2019 are as follows: (Previous Year's figures are shown in brackets)

(₹ in Lakhs)

Particulars	Subsidiary Companies	Enterprises owned or significantly influenced by key management personnel or their relatives	Key Management Personnel and their relatives	Total
Sale of Goods	426.96 (48.31)	- -	- -	426.96 (48.31)
Purchase of Goods	- (159.63)	- -	- -	- (159.63)
Office Rent	19.00 -	- -	- (3.60)	19.00 (3.60)
Purchase of Shares	- (0.70)	- -	- -	- (0.70)

For Kavit Industries Limited**Director**

Kavit Industries Limited**Notes To Stand Alone Financial Statements For The Year Ended 31st March, 2019**

Inter Corporate Deposit Taken	-	14.50	-	14.50
	-	(2.00)	-	(2.00)
Inter Corporate Deposit Repaid	0.70	24.54	-	25.24
	-	(2.00)	-	(2.00)
Loans Given	184.32	68.04	3.37	255.74
	(710.10)	(626.48)	(68.01)	(1,404.58)
Loan Given received back	409.96	161.32	3.37	574.65
	(220.64)	(346.09)	(64.75)	(631.47)
Remuneration to Director	-	-	12.00	12.00
	-	-	(13.45)	(13.45)
Salary Expenses	-	-	4.80	4.80
	-	-	-	-
<u>Balance outstanding at the year end:</u>				
Account Payable	4.84	-	-	4.84
	(156.61)	-	-	(156.61)
Account Receivable	8.14	-	-	8.14
	(45.19)	-	-	(45.19)
Loan Payable Outstanding	-	90.36	-	90.36
	-	(18.19)	-	(18.19)
Loan Receivable Outstanding	263.38	238.63	-	502.01
	(489.71)	(337.18)	-	(826.89)

(iii) Significant transactions with related parties:**(₹ in Lakhs)**

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
A) Transaction during the year		
Sales of Goods		
Kavit Edible Oil Limited	426.96	48.31
Purchase of Goods		
Kavit Edible Oil Limited	-	159.63
Rent Received		
Kavit Edible Oil Limited	19.00	-
Inter Corporate Deposit Taken		
Natural Expo Agro Industries Limited	14.50	-
Inter Corporate Deposit Repaid		
Natural Expo Agro Industries Limited	22.87	-
Loan Given		
Kavit Edible Oil Limited	35.52	214.86
Kavit Infra Projects Limited	148.10	222.78
Kavit Infoline Private Limited	-	11.30
Kavit Swach Organic Food Private Limited	-	261.16
Sauver Finvest Mutal Benefits Limited	-	150.82
Pacific Health Informatics	-	86.32
Pacific Finstock Limited	68.03	389.34

For Kavit Industries Limited**Director**

Kavit Industries Limited**Notes To Stand Alone Financial Statements For The Year Ended 31st March, 2019****Loan Given Received Back**

Kavit Edible Oil Limited	107.96	58.62
Kavit Infra Projects Private Limited	223.10	62.20
Kavit Swach Organic Food Private Limited	78.90	98.95
Pacific Health Informatics	-	26.50
Pacific Finstock Limited	67.13	-
Sauver Finvest Mutal Benefits Limited	91.69	55.13

B) Closing Balance as at end of the year:**Outstanding Payables**

Kavit Edible Oil Limited	4.84	156.61
Natural Expo Agro Industries Limited	15.90	18.19
Shree Saibaba Exim Private Limited	-	-
Raghuvir Internation Private Limited	-	-

Outstanding Receivable

Kavit Edible Oil Limited	92.20	201.68
Kavit Infoline Private Limited	10.43	10.43
Kavit Infra Projects Private Limited	85.58	160.58
Kavit Swach Organic Food Private Limited	83.31	162.21
Pacific Finstock Limited	122.48	126.85
Sauver Finvest Mutal Benefits Limited	-	95.70
Pacific Health Informatics	112.14	112.14

For Kavit Industries Limited**Director**

Kavit Industries Limited

Notes To Stand Alone Financial Statements For The Year Ended 31st March, 2019

41 Disclosures related to the Micro, Small and Medium Enterprises.

The Company has not received information from vendors regarding their status under the Micro, Small & Medium Enterprises Development Act, 2006 and hence disclosure relating to amount unpaid at the year end together with interest paid/payable under the Act have not been given.

42 Segment Reporting

Ind AS 108 Operating Segments requires Management to determine the reportable segments for the purpose of disclosure in financial statements based on the internal reporting reviewed by Chief Operating Decision Maker (CODM) to assess performance and allocate resources.

Operating segments are defined as 'Business Units' of the Company about which separate financial information is available that is evaluated regularly by the Chief Operating Decision Maker or decision making group in deciding how to allocate resources and in assessing performance.

The Company operates in Trading of Edible Oil, Some agricultural products and chemical products segment. The management considers that these business units have similar economic characteristic nature of the product, nature of the regulatory environment etc. Based on the management analysis, the Company has only one operating segment, so no separate segment report is given. The principal geographical areas in which the Company operates is India.

43 Disclosures pursuant to Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Section 186(4) of the Companies Act, 2013:

Loans & Advances in the nature of loans to subsidiaries:

(₹ in Lakhs)

Name of the Subsidiary Company	Amount outstanding as at		Maximum amount outstanding during the	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Kavit Edible Oil Limited	84.06	156.49	160.08	156.85
Kavit Infoline Private Limited	10.43	10.43	10.43	10.43
Kavit Swach Organic Food Private Limited	83.31	162.20	162.21	162.20
Kavit Infra Projects Private Limited	85.58	160.58	239.63	160.58

The above loans are given to the Subsidiary Companies on interest free basis.

- 44 Confirmation of parties for amount due from them as per accounts of the Company are not obtained. Amount due from customers include amounts due / with held on account of various claims. The Claims will be verified and necessary adjustments, if any, shall be made in the year of settlement. Subject to this, company is confident of recovering the dues and accordingly they have been classified as "debt considered good" and therefore no provision is considered necessary there against.
- 45 In the opinion of the Board of Directors, Current Assets, Loans & Advances have value at which they are stated in the Balance Sheet, if realized in the ordinary course of business. The provision for depreciation and for all know liabilities is adequate and not in excess of the amount reasonably necessary.
- 46 The Previous year's figures, wherever necessary, have been regrouped/reclassified to conform to the current year's presentation.

As Per Our Report Of Even Date
For M Sahu & Co
Chartered Accountants
ICAI Firm Registration No.: 130001W

For and on behalf of the Board of Directors of
Kavit Industries Limited

Manojkumar Sahu
Partner
Membership No. 132623
Vadodara, 29th May, 2019

Jayesh Thakkar
Managing director

Kartik Mistry
Director

Bhaves Desai
CFO

KAVIT INDUSTRIES LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

NOTE: 1

1.1 CORPORATE INFORMATION

Kavit Industries Limited (Formerly known as Atreya Petrochem Limited) is Public Limited Company incorporated in India under the provisions of the Companies Act, 1956. The Company's strength lies in the trading of Edible Oil, Chemicals, Agriculture Produce and Various other Products of Consumer Goods.

Significant Accounting policies followed by the Company.

1.2 BASIS OF PREPARATION

i. Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act as applicable.

The accounting policies are applied consistently to all the periods presented in the financial statements.

ii. Historical cost convention

The financial statements have been prepared on a historical cost basis, except the following:

- Certain financial assets and liabilities that are measured at fair value;
- Assets held for sale – measured at lower of carrying amount or fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value.

iii. Current and non-current classification

All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle (not exceeding twelve months) and other criteria set out in the Schedule III to the Act.

iv. Functional and presentation currency

These financial statements are presented in Indian Rupees, which is the Company's functional currency.

v. Rounding of amounts

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

KAVIT INDUSTRIES LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

1.3 SIGNIFICANT ACCOUNTING POLICIES

A. Property, Plant and Equipment:

i. Recognition and measurement

Freehold land is carried at cost. All other items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognized in the Statement of Profit and Loss.

If significant parts of an item of property, plant and equipment have different useful life, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in the Statement of Profit and Loss.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 1, 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost (except to the extent of any adjustment permissible under other accounting standard) of the property, plant and equipment.

ii. Subsequent Expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation on tangible fixed assets is provided in accordance with the provisions of Schedule II of the Companies Act 2013. Depreciation on additions / deductions is calculated on pro rata basis from/up to the month of additions/deductions. The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

B. Intangible Assets:

- i.** Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

C. Impairment:

- i. Non - financial assets**

KAVIT INDUSTRIES LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite life may be impaired. If any such impairment exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

D. Inventories:

- i. Finished and Semi-Finished Products produced and purchased by the company are carried at Cost and net realizable value, whichever is lower.
- ii. Work in Progress is carried at lower of cost and net realizable value.
- iii. Raw Material is carried at lower of cost and net realizable value.
- iv. Stores and Spares parts are carried at cost. Necessary provision is made and expensed in case of identified obsolete and nonmoving items.

Cost of Inventory is generally ascertained on the 'Weighted average' basis. Work in progress, Finished and semi-finished products are valued at on full absorption cost basis.

Cost Comprises expenditure incurred in the normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overheads based on normal level of activity. Packing Material is considered as finished goods. Consumable stores are written off in the year of Purchase.

E. Foreign Currency Transactions

Transactions in Foreign Currency and Non-Monetary Assets are accounted for at the Exchange Rate prevailing on the date of the transaction. All monetary items denominated in Foreign Currency are converted at the Year-End Exchange Rate. The Exchange Differences arising on such conversion and on settlement of the transactions are recognized as income or as expenses in the year in which they arise.

F. Investments and Other Financial Assets:

Classification

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through Statement of Profit and Loss), and
- Those measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of

KAVIT INDUSTRIES LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt or equity investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, in case of a financial asset not at fair value through profit and loss, the Company measures a financial asset at its fair value plus, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through Statement of Profit and Loss are expensed in Statement of Profit and Loss.

(a) Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost.

(b) Fair Value through Other Comprehensive Income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through Other Comprehensive Income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit and loss and recognized in other gains/ losses. Interest income from these financial assets is included in other income using the effective interest rate method.

(c) Fair value through profit and loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through Statement of Profit and Loss. Interest income from these financial assets is included in other income.

Equity Instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to Statement of Profit and Loss. Dividends from such investments are recognized in Statement of Profit and Loss as other income when the Company's right to receive payment is established.

Changes in the fair value of financial assets at fair value through profit and loss are recognized in other gain/losses in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Derecognition

A financial asset is derecognized only when

KAVIT INDUSTRIES LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

- (a) The Company has transferred the rights to receive cash flows from the financial asset or
- (b) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

G. Cash and Cash Equivalents:

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and highly liquid investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

H. Financial Liabilities:

Measurement

All financial liabilities are recognized initially at fair value and in the case of loans, borrowings and payables recognized net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process.

I. Revenue recognition:

Effective April 1, 2018, the company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. The core principal of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

J. Other Income:

Other income is comprised primarily of interest income, dividend income, gain/loss on investments and exchange gain/loss on forward and options contracts and on translation of other assets and liabilities. Interest income is recognized using the effective interest method. Claims for export incentives/ duty drawbacks, duty refunds and insurance are

KAVIT INDUSTRIES LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

accounted when the right to receive payment is established. Dividend Income is recognized when the right to receive dividend is established.

K. Employee benefits:

A. Short term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, performance incentives, etc. are recognized at actual amounts due in the period in which the employee renders the related service.

B. Contribution towards defined benefit contribution Schemes

Gratuity plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on post-employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Company. The aforesaid liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. Current service cost, Past-service costs are recognized immediately in Statement of profit or loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Re measurements are not reclassified to profit or loss in subsequent periods.

L. Borrowing costs:

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

M. Taxes on Income:

Income Tax expense comprises of current and deferred tax. Income Tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

(i) Current Tax

Current Tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period. Current tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date

Current tax assets and liabilities are offset if, and only if, the Company:

KAVIT INDUSTRIES LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

- a) has a legally enforceable right to set off the recognized amounts; and
- b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

N. Provisions and Contingencies:

- a) Provisions are recognized based on the best estimate of probable outflow of resources which would be required to settle obligations arising out of past events.
- b) Contingent liabilities not provided for as per (a) above are disclosed in notes forming part of the Financial Statements. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.
- c) Contingent Assets are disclosed, where the inflow of economic benefits is probable.

O. Earnings per Share:

- a) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and

KAVIT INDUSTRIES LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

attributable taxes) by the weighted average number of equity shares outstanding during the period.

- b) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

P. Leases:

Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases.

As a lessee

Payments made under operating leases (net of incentives received from the lessor) are charged to Statement of Profit and Loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Company is a lessor is recognized in income on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

The respective leased assets are included in the balance sheet based on their nature.

Q. Exceptional items:

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

2. USE OF JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

While preparing financial statements in conformity with Ind AS, the management has made certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial position date and the reported amount of income and expenses for the reporting period. Financial reporting results rely on the management estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecasted and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgment, estimates and assumptions are required in particular for:

KAVIT INDUSTRIES LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

a) Determination of the estimated useful life of tangible assets

Useful life of tangible assets is based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful life are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

b) Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long-term nature, defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

c) Recognition of deferred tax liabilities

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carryforwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

d) Discounting of financial assets / liabilities

All financial assets / liabilities are required to be measured at fair value on initial recognition. In case of financial assets / liabilities which are required to be subsequently measured at amortized cost, interest is accrued using the effective interest method.

INDEPENDENT AUDITOR'S REPORT

To the Members of Kavit Industries Limited Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated financial statements of Kavit Industries Limited ("the Company"), which comprise the Consolidated Balance Sheet as at 31st March 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of matter described in the Emphasis of matter paragraph section of our report, the aforesaid consolidated financial statements give the information required by the 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 Consolidated state of affairs of the Company as at March 31, 2019, and Consolidated profit/loss and Consolidated other comprehensive income, Consolidated changes in equity and its cashflows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, 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.

Emphasis of Matter

1. We draw attention that the company has not complied with the provision of the Section 185 and 186 of the Companies Act, 2013, pertaining to the loans and advances granted to the Subsidiaries.
2. The Company has written off balances of certain debtors and creditors the net effect of the same is Rs. 263.06 Lakhs due to which the profit of the Company has been increased as the same is showing as Other Income. (Refer Note Number 26).
3. The Company has not filed the requisite form with Registrar of Companies for the increase of the authorized capital of the Company as a result of the same there is difference in the

authorized and paid up capital of the Company and also no provision for stamp duty payable on the increase of authorized capital is provided in the books of accounts. (Refer Note Number 15).

Other Matters

- a. The comparative financial information of the Group for the year ended 31st March 2018 included in these consolidated financial statements have been audited by the predecessor auditor whose audit report dated 29th May 2018 expressed an unmodified opinion on those audited standalone Ind AS financial statements. Our opinion is not modified in respect of these matter.
- b. We did not audit the financial statements of five subsidiaries whose financial statement reflects total assets of ₹ 283.94 lakhs as at 31st March 2019 and total revenue of ₹ 1402.07 lakhs for the year ended on that date, as consider in the consolidated financial statements. These financial statement have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of section 143(3) of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements and our report on the other Legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Key Audit Matters

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

1. Evaluation of Disputed tax liabilities:

The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. As per the company's assessment based on the legal opinion received, it has a good chance of getting the demands set aside. We obtained and reviewed details of completed tax assessments and demands for the year ended March 31, 2019 from management. We made an independent assessment to evaluate whether any change was required to management's position on these disputed tax demands and assess if any provisioning is required.

Information other than the Consolidate 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 Annual Report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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.

Responsibility of Management for Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (financial position), consolidated profit or loss (financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 Act, we are also responsible for explaining our opinion on whether the Group 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 ability of the Group 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditor.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, Consolidated statement of changes in equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on 31st March, 2019 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 Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". 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 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 Group has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For M Sahu & Co
Chartered Accountants
Firm Registration No: 130001W

Partner (Manojkumar Sahu)
Membership No: 132623

Date: 29/05/2019
Place: Vadodara

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the Consolidated Ind AS financial statement of the Holding Company as of and for the year ended 31st March 2019, we have audited the internal financial controls over financial reporting of the **KAVIT INDUSTRIES LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Holding Company and its subsidiaries which are companies incorporated in India 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting 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 and the audit evidence obtained by the other auditor of subsidiary companies, in terms of their reports referred to in the Other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

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

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act, on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to its subsidiary companies are based on the corresponding reports of the auditors of such companies incorporated in India.

For M Sahu & Co**Chartered Accountants****Firm Registration No: 130001W****Partner (Manojkumar Sahu)****Membership No: 132623****Date: 29/05/2019****Place: Vadodara**

Kavit Industries Limited
CIN L23100GJ1990PLC014692
Consolidated Balance Sheet as at 31 March,2019

Particulars	Notes	(₹ in Lakhs)	
		As at March 31,2019	As at March 31, 2018
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	3	860.74	887.76
(b) Intangible Assets	3	1.58	2.35
(c) Financial Assets			
(i) Investments	4	0.52	0.55
(ii) Loans	5	2,518.81	3,149.60
(ii) Trade Receivable	6	9,446.33	9,474.39
(iii) Other Financial assets	7	740.16	-
(d) Other Non Current Assets	8	113.30	110.55
(e) Deferred tax assets (Net)	9	1.73	-
Current assets			
(a) Inventories	10	84.63	59.39
(b) Financial Assets			
(i) Trade receivables	11	5,701.56	3,523.85
(ii) Cash and cash equivalents	12	91.37	74.32
(iii) Loans	13	2,879.67	3,505.81
(c) Other current assets	14	7.50	5.92
Total Assets		22,447.91	20,794.49
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	15	6,193.33	6,193.33
(b) Other Equity	16	1,291.17	1,133.30
Total equity attributable to equity holders of the Parent		7,484.50	7,326.64
Non Controlling Interest		2.95	2.40
		7,487.45	7,329.03
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	411.57	621.97
(ii) Trade Payables	18	9,594.73	11,384.19
(ii) Non Current - Other Financial Liabilities	19	144.27	-
(b) Deferred tax liabilities (Net)	20	-	2.27
Current liabilities			
(a) Financial Liabilities			
(i) Trade payables	21	4,516.72	1,312.12
(ii) Other financial liabilities	22	189.05	112.99
(b) Other current liabilities	23	4.20	1.17
(c) Provisions	24	99.92	30.76
Total Liabilities		14,960.46	13,465.46
Total Equity and Liabilities		22,447.92	20,794.49
Summary of significant accounting policies		1	

The accompanying notes are an integral part of the financials statements.

This is the Balance Sheet referred to in our report of even date

As Per Our Report Of Even Date

For M Sahu & Co

Chartered Accountants

ICAI Firm Registration No.: 130001W

For and on behalf of the Board of Directors of

Kavit Industries Limited

Manojkumar Sahu

Partner

Membership No. 132623

Jayesh Thakkar

Managing director

Kartik Mistry

Director

Vadodara, 29th May, 2019

Bhavesh Desai

CFO

Kavit Industries Limited
Consolidated Statement of Profit and Loss for the year ended March 31,2019

		(₹ in Lakhs)	
Particulars	Notes	For the year ended March 31,2019	For the year ended March 31,2018
Income			
Revenue from Operation	25	10,541.60	7,409.78
Other Income	26	347.78	127.30
Total Revenue		10,889.37	7,537.08
Expenses			
Cost of Material Consumed	27	-	-
Purchases of stock-in-trade	28	10,448.58	7,096.38
Changes in inventories of finished goods, WIP	29	(25.24)	19.59
Employee benefits expense	30	59.77	70.19
Finance costs	31	1.73	1.85
Other expenses	32	147.96	259.16
Depreciation and amortization expense		31.72	17.66
Total Expenses		10,664.53	7,464.82
Profit before Tax		224.85	72.27
Tax Expenses			
Current Tax		72.80	23.98
Income Tax of Earlier Year		0.14	-
Deferred Tax		(4.57)	-
Profit for the year		156.48	48.28
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
- Remeasurement of Defined benefit plans		(2.54)	0.13
- Equity instruments through other comprehensive income		(0.03)	-
A (ii) Income tax relating to items that will not be reclassified to profit or loss			
- Remeasurement of Defined benefit plans		0.58	(0.04)
- Equity instruments through other comprehensive income		-	-
Total other comprehensive income		(1.99)	0.08
Total comprehensive income for the period		158.46	48.20
Total comprehensive income for the period attributable to			
Owners of the Company		157.91	48.00
Non Controlling Interest		0.55	0.20
Earnings per equity share:			
(1) Basic		0.25	0.08
(2) Diluted		0.25	0.08
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financials statements.

This is the Balance Sheet referred to in our report of even date

As Per Our Report Of Even Date

For M Sahu & Co

Chartered Accountants

ICAI Firm Registration No.: 130001W

For and on behalf of the Board of Directors of

Kavit Industries Limited

Manojkumar Sahu

Partner

Membership No. 132623

Vadodara, 29th May, 2019

Jayesh Thakkar

Managing director

Kartik Mistry

Director

Bhavesh Desai

CFO

Kavit Industries Limited
Consolidated Statement Of Changes In Equity For The Year Ended 31st March, 2019

a. EQUITY SHARE CAPITAL:

₹ in Lakhs

	Notes	Amount
Balance as at 1 April, 2017	14	619.33
Changes in equity share capital during the year		-
Balance as at 31 March, 2018	14	619.33
Changes in equity share capital during the year		-
Balance as at 31 March, 2019	14	619.33

b. OTHER EQUITY:

Particulars	Reserves and Surplus				Total attributable to Equity holders of the Company	Non Controlling Interest	Total
	Security Premium Reserve	Revaluation Reserves	Retained Earnings	FVOCI - Equity Investment reserve			
Balance as at April 01, 2017	451.67	-	(20.79)	(49.97)	380.91	2.20	383.11
Profit for the year	-	-	48.28	-	48.28	0.20	48.48
Addition during the year		704.63	-	(0.24)	704.39	-	704.39
Remeasurement of post employment benefit obligation (net of tax)	-	-	(0.08)	-	(0.08)	-	(0.08)
Total comprehensive income for the year	451.67	704.63	27.41	(50.21)	1,133.50	2.40	1,135.90
Balance as at March 31, 2018	451.67	704.63	27.41	(50.21)	1,133.50	2.40	1,135.90
Profit for the year	-	-	156.48	-	156.48	0.55	157.03
Addition during the year	-	-	-	(0.03)	(0.03)	-	(0.03)
Remeasurement of post employment benefit obligation (net of tax)	-	-	1.96	-	1.96	-	1.96
Total comprehensive income for the year	-	-	158.44	(0.03)	158.41	0.55	158.96
Balance as at March 31, 2019	451.67	704.63	185.85	(50.23)	1,291.91	2.95	1,294.86

The accompanying notes are an integral part of the financials statements.

This is the Statement of Changes in Equity referred to in our report of even date

As Per Our Report Of Even Date
For M Sahu & Co
Chartered Accountants
ICAI Firm Registration No.: 130001W

For and on behalf of the Board of Directors of
Kavit Industries Limited

Manojkumar Sahu
Partner
Membership No. 132623
Vadodara, 29th May, 2019

Jayesh Thakkar
Managing director

Kartik Mistry
Director

Bhavesh Desai
CFO

Kavit Industries Limited
Consolidated Cash Flow Statement For The Year Ended 31st March, 2019
₹ in Lakhs

Particulars	For the year ended March 31,2019	For the year ended March 31,2018
A. Cash Flow from Operating Activities :		
Net Profit before Tax	224.85	72.27
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and Amortisation Expense	31.72	17.66
Other non-operating income (Incl Written - off)	(263.06)	(48.85)
Interest expense	1.73	1.85
Bad Debts	35.01	-
Interest Income	(5.89)	(16.46)
Preliminary Expenses written off	1.39	14.07
Dividend Income	(0.01)	(0.01)
Income Tax Provision	-	23.98
Operating Profit before Working Capital changes	25.74	64.50
Movement in Working Capital :		
(Increase)/Decrease in Inventories	(25.24)	19.59
(Increase)/Decrease in Trade Receivables	(2,149.66)	945.72
(Increase)/Decrease in Loans	626.14	78.00
(Increase)/Decrease in Other Assets	(1.58)	-
Increase/(Decrease) in Trade Payable	1,415.14	(2,252.79)
Increase/(Decrease) in Other Current Liability	79.10	(5.84)
Increase/(Decrease) in Provisions	69.17	(24.11)
Cash Generated from Operation	38.80	(1,174.93)
Direct Tax Paid (Net of Refunds)	(65.00)	-
Net Cash inflow from/ (outflow) from Operating activities (A)	(26.20)	(1,174.93)
B. Cash Flow from Investing Activities :		
Purchase of fixed assets	(3.92)	(658.68)
Purchase of Investments	-	50.54
Interest received	5.89	16.46
Dividend received	0.01	0.01
Net Cash inflow from/ (outflow) from Financing activities (B)	1.98	(591.67)
C. Cash Flow from Financing Activities :		
Proceeds/(Repayment) from Long Term Borrowings (Net)	(66.13)	678.07
Repayment/(Proceeds) from Loans and Advances (Net)	109.37	380.83
Interest paid	(1.73)	(1.85)
Proceeds of Share Application money/Share Capital	-	706.21
Net Cash inflow from/ (outflow) from Financing activities (C)	41.50	1,763.26
Net increase / (decrease) in cash and cash equivalents (A+B+C)	17.28	(3.35)
Cash and Cash Equivalents at the beginning of the year	74.32	77.24
Cash and Cash Equivalents at the end of the year	91.60	73.89
Components of Cash and cash equivalents		
Cash on hand	74.09	42.77
With Banks		
- on Current Account	17.29	31.54
Cash and Cash equivalents	91.37	74.32

The accompanying notes are an integral part of the financials statements.

The cash flow statement has been prepared under the indirect method as set out in the Indian Accounting Standard

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

As Per Our Report Of Even Date

For M Sahu & Co

Chartered Accountants

ICAI Firm Registration No.: 130001W

For and on behalf of the Board of Directors of

Kavit Industries Limited

Manojkumar Sahu

Partner

Membership No. 132623

Vadodara, 29th May, 2019

Jayesh Thakkar
Managing director

Kartik Mistry
Director

Bhavesh Desai
CFO

Kavit Industries Limited
Notes To Consolidated Financial Statements For The Year Ended 31st March, 2019

3 Property, Plant & Equipment

Particulars	Freehold Land	Building	Plant & Machinery	Furniture & Fixtures	Office Equipments	Computers	Weight Bridge	Laboratory Equipment	Air conditioner	CCTV	TOTAL (A)	Software	TOTAL (B)	GRAND TOTAL (A) + (B)
Gross carrying amount:														
Gross carrying amount as at 01/04/2018	717.57	60.11	127.39	0.30	0.70	3.27	0.58	0.24	1.60	1.30	913.06	2.38	2.38	915.44
Additions	-	-	1.50	-	-	-	-	-	2.42	-	3.92	-	-	3.92
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross carrying amount As at 31/03/2019	717.57	60.11	128.89	0.30	0.70	3.27	0.58	0.24	4.02	1.30	916.98	2.38	2.38	919.36
Accumulated Depreciation as at 01/04/2018	-	13.15	10.41	0.02	0.08	1.27	0.01	0.01	0.18	0.17	25.30	0.03	0.03	25.33
Charge for the period	-	3.27	25.53	-	0.15	1.46	0.23	-	0.22	0.09	30.94	0.77	0.77	31.72
Sales/transferred/written off	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation as at 31/03/2019	-	16.43	35.93	0.02	0.23	2.73	0.24	0.01	0.40	0.26	56.24	0.80	0.80	57.05
Net carrying amount:														
Carrying amount as at 31/03/2019	717.57	43.68	92.95	0.28	0.48	0.54	0.34	0.23	3.62	1.04	860.74	1.58	1.58	862.31
Carrying amount as at 31/03/2018	717.57	46.95	116.98	0.28	0.62	2.00	0.57	0.23	1.42	1.13	887.76	2.35	2.35	890.11

For Kavit Industries Limited

Director

Kavit Industries Limited
Notes To Consolidated Financial Statements For The Year Ended 31st March, 2019

4 Investments

₹ in Lakhs		
Particulars	As at 31st March, 2019	As at 31st March, 2018
Investments at fair value through other comprehensive income		
Investment in Equity Instruments (Quoted)		
Aadhaar Ventures India Limited (Formerly known as Prraneta Industries Limited)	0.25	0.28
Investment in Equity Instruments (Unquoted)		
Omkar Powertech India Pvt Ltd	0.27	0.27
Total	0.52	0.55
Aggregate Market value of quoted investment	0.25	0.28
Aggregate Value of unquoted investment	0.27	0.27

5 Loans

₹ in Lakhs		
Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured, considered good - at amortised cost		
i) Loans and Advances to related parties		
To Corporates	67.95	109.19
To Non Corporates	89.73	112.14
ii) Other Loans and Advances		
To Others	2,349.78	2,916.92
iii) Security and other deposits	11.36	11.36
Total (a+b)	2,518.81	3,149.60

6 Trade Receivable

₹ in Lakhs		
Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured		
(a) Considered good	9,446.33	9,474.39
Total	9,446.33	9,474.39

For Kavit Industries Limited

Director

Kavit Industries Limited
Notes To Consolidated Financial Statements For The Year Ended 31st March, 2019

7 Other Financial Assets

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deffered Expense Assets	740.16	-
Total	740.16	-

8 Other Non Current Assets

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured, considered good		
Deffered Revenue Expenditures	48.62	50.01
Security Deposits	0.84	
Balance with government authorities		
- VAT / Excise / GST receivable	15.38	17.95
- Advance Income Tax against demand	32.53	30.48
- Tax deducted at source - (Net of Provisions for Taxation)	15.94	12.11
Total	113.30	110.55

9 Deffered Tax Assets (Net)

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deffered Tax Assets		
Related to Property, Plant & Equipments and Intangible Assets	2.29	
Remeasurement of Defined Benefit Plan	(0.56)	-
Total	1.73	-

10 Inventories

(Valued at lower of Cost or Net Realisable Value)

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Raw Material	6.98	6.98
(b) Finished Goods	77.65	52.41
Total	84.63	59.39

For Kavit Industries Limited

Director

Kavit Industries Limited
Notes To Consolidated Financial Statements For The Year Ended 31st March, 2019

11 Trade receivables

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured		
(a) Considered good	5,701.56	3,523.85
Total	5,701.56	3,523.85

12 Cash and cash equivalents

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
(i) Balances with banks		
(a) In current accounts	17.29	31.54
(ii) Cash in hand	74.09	42.77
Total	91.37	74.32

13 Loans

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured, considered good		
(a) Loans and Advances to subsidiaries	-	-
(b) Loans and Advances to other associates and related parties	315.93	599.02
(c) Loans and Advances to other parties	2,067.13	2,600.84
(d) Loans and Advances to suppliers / Employees	496.61	305.95
Total	2,879.67	3,505.81

14 Other Current Assets

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured, considered good		
(a) Duties and Taxes Receivables	5.00	3.16
(b) Others	2.51	2.76
Total	7.50	5.92

For Kavit Industries Limited

Director

Kavit Industries Limited**Notes To Consolidated Financial Statements For The Year Ended 31st March, 2019****15 Equity Share capital****15.1 Authorised Share Capital**

Particulars	Equity Share Capital	
	No. of Shares	Amount (₹ in Lakhs)
As At 1 April, 2017	4,65,00,000	4,650
Increase /(decreased) during the year	-	-
As At 31 March, 2018	4,65,00,000	4,650
Increase /(decreased) during the year	-	-
As At 31 March, 2019	4,65,00,000	4,650

** In the year 2014-2015, the Company has increased its authorised capital to ₹ 4650 Lakhs and made allotment of shares at premium of ₹ 5 per shares. The Company in its Annual General Meeting dated 25th September 2015 increased authorised capital from ₹ 4650 Lakhs to ₹ 6645 Lakhs but the same is not being implemented by filling form SH - 7 (form for Increase in Authorised Capital) with ROC. Moreover, the Company has issued Bonus Shares of ₹ 15.48 Lakhs during the year 2015-2016 resultantly, the paid up capital of the Company increased to ₹ 6193 Lakhs but authorised capital is remained the same. The Company is in the process of filling the Form and rectifying the difference in the Authorised capital and paid up capital.*

15.2 Issued Share Capital

Particulars	Equity Share Capital	
	No. of Shares	Amount (₹ in Lakhs)
As At 1st April 2017	6,19,33,333	6,193
Increase /(decreased) during the year	-	-
As At 31 March, 2018	6,19,33,333	6,193
Increase /(decreased) during the year	-	-
As At 31 March 2019	6,19,33,333	6,193

15.3 Terms/ right attached to equity shares

The Company has only one class of equity shares of par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

For Kavi Industries Limited**Director**

Kavit Industries Limited**Notes To Consolidated Financial Statements For The Year Ended 31st March, 2019****15.4 Shares held by shareholders each holding more than 5% of the shares**

Shareholders	As At 31 March, 2019		As At 31 March, 2018	
	No. of shares	Percentage	No. of shares	Percentage
Raghuvir International Pvt. Ltd.	1,28,38,850	20.73%	1,28,38,850	20.73%
Shree Saibaba Exim Pvt. Ltd.	97,38,333	15.72%	97,38,333	15.72%
Silver cade Trading Pvt. Ltd.	43,75,964	7.07%	53,33,333	8.61%
Aprateem Trading	45,97,414	7.42%	-	0.00%
Krystalklear Properties Pvt. Ltd.	33,70,000	0.05	52,00,000	0.08
Saint Infrastructure Pvt. Ltd.	30,61,666	0.05	42,66,666	0.07
Gill Entertainment Pvt. Ltd.	41,33,228	6.67%	41,33,333	6.67%
Golding Mercantile Pvt. Ltd.	-	0.00%	38,00,000	6.14%
Indivar Traders Pvt. Ltd.	40,08,522	6.47%	38,66,666	6.24%

As per records of the company, including its register of Shareholders / Members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Rights as to Dividend

The Equity shareholders have right dividend when declared by the Board of Directors subject to approval in the ensuing Annual General Meeting.

Right pertaining to repayment of Capital

In the event of liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be according to the shareholders rights and interest in the company.

For Kavi Industries Limited

Director

Kavit Industries Limited**Notes To Consolidated Financial Statements For The Year Ended 31st March, 2019****15 Other Equity**

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
(a) Security Premium Reserve	451.67	451.67
(b) Equity Instruments through Other Comprehensive Income (Refer below Note (i))	(50.44)	(50.21)
(c) Revaluation Reserve	704.63	704.63
(d) Retained Earnings (Refer below Note (ii))	185.32	27.42
Total	1,291.17	1,133.51

Note:

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
(i) Equity Instruments through Other Comprehensive Income		
As per last Balance Sheet	(50.21)	(49.97)
Add/Less : Additions/(Deletions) during the year	(0.24)	(0.24)
	(50.44)	(50.21)
(ii) Retained Earnings		
Add : Profit/(Loss) for the year as per Statement of Profit and Loss	27.42	(20.79)
Add: Remeasurement of the Net Defined benefit liability/asset, net of tax effect	157.90	48.21
Less : Corporate Dividend Tax on Interim Dividend	-	-
	185.32	27.42

For Kavi Industries Limited**Director**

Kavit Industries Limited
Notes To Consolidated Financial Statements For The Year Ended 31st March, 2019

17 Borrowings

₹ in Lakhs		
Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured - at amortized cost		
i) Loans and Advances from related parties		
From Directors	9.80	3.02
From Corporates	95.19	208.13
ii) Loans and Advances from Others		
From Others	306.58	410.82
Total	411.57	621.97

18 Trade Payable

₹ in Lakhs		
Particulars	As at 31st March, 2019	As at 31st March, 2018
Trade payables	9,594.73	11,384.19
Total	9,594.73	11,384.19

19 Non Current - Other Financial Liabilities

₹ in Lakhs		
Particulars	As at 31st March, 2019	As at 31st March, 2018
Deffered Income Liabilities	128.43	-
Defined Benefit Plan	4.59	
Security Deposits	11.25	
Total	144.27	-

20 Deferred Tax liabilities(Net)

₹ in Lakhs		
Particulars	As at 31st March, 2019	As at 31st March, 2018
Deffered Tax Liability		
Remeasurement of Defined Benefit Plan	-	(0.04)
Related to Property, Plant & Equipments and Intangible Assets	-	2.31
Total	-	2.27

For Kavit Industries Limited

Director

Kavit Industries Limited
Notes To Consolidated Financial Statements For The Year Ended 31st March, 2019

21 Trade payables

₹ in Lakhs		
Particulars	As at 31st March, 2019	As at 31st March, 2018
Trade payables	4,516.72	1,312.12
Total	4,516.72	1,312.12

22 Other financial liabilities

₹ in Lakhs		
Particulars	As at 31st March, 2019	As at 31st March, 2018
Advances received from customers	2.43	13.09
Other Financial Liabilities	39.01	-
Loans and Advances from Others		-
From Related Parties	67.85	43.32
From others	79.76	56.58
Total	186.62	112.99

23 Other Current Liabilities

₹ in Lakhs		
Particulars	As at 31st March, 2019	As at 31st March, 2018
Other Current Liability		
(a) Statutory remittances	4.11	1.17
(b) Defined Benefit Plan	0.09	-
Total	4.20	1.17

24 Provisions

₹ in Lakhs		
Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Provision for Expenses	5.59	5.12
(a) Provision for Taxation	94.33	25.64
Total	99.92	30.76

For Kavit Industries Limited

Director

Kavit Industries Limited
Notes To Consolidated Financial Statements For The Year Ended 31st March, 2019
25 Revenue from Operations

Particulars	For the Period ended 31 March, 2019	For the Period ended 31 March, 2018
Trading Sales	10,526.76	7,404.35
Web Developing Income	14.84	5.43
Total	10,541.60	7,409.78

26 Other Income

Particulars	For the Period ended 31 March, 2019	For the Period ended 31 March, 2017
(a) Interest Income	5.89	16.46
(b) Dividend Income	0.01	0.01
(c)Sundry Balance written off	263.06	-
(d) Miscellaneous Income	1.44	6.99
(e) Other non-operating income	10.00	48.85
(g) Rent Income	35.88	6.00
(h) Profit on sale of Shares	31.50	49.00
Total	347.78	127.30

**During the year the Company has written off credit balance of the Trade Payables and the same is shown as Other Income in the Statement of Profit & Loss Account.*

27 Cost of materials consumed

Particulars	For the Period ended 31 March, 2019	For the Period ended 31 March, 2017
Raw Material Consumption (Food)		
Opening Stock	6.98	6.98
Add: Purchases		-
	6.98	6.98
Less: Closing stock	6.98	6.98
Cost of Goods Sold	-	
Total	-	-

28 Purchase of Stock in Trade

Particulars	For the Period ended 31 March, 2019	For the Period ended 31 March, 2017
Trading Purchase	10,424.73	7,060.18
Purchase of Packing Material	23.85	36.19
Total	10,448.58	7,096.38

For Kavit Industries Limited

Director

29 Changes in Inventories of Finished Good, Work in Progress and Stock in Trade

Particulars	For the Period ended 31 March, 2019	For the Period ended 31 March, 2017
<u>Inventory at the beginning of the year</u>		-
Finished Goods	52.41	72.00
Work in Progress	-	-
Sub Total (a)	52.41	72.00
<u>Inventory at the end of the year</u>		
Finished Goods	77.65	52.41
Work in Progress	-	-
Sub Total (b)	77.65	52.41
Total Changes in Finished good and Work in process	(25.24)	19.59

30 Employee Benefit expenses

Particulars	For the Period ended 31 March, 2019	For the Period ended 31 March, 2017
Salaries, wages , bonus, allowances ,etc.	43.49	70.16
Director's Remunerations	12.00	-
Gratuity Expenses	2.64	0.00
Provident Fund	1.27	-
Staff Welfare	0.38	0.03
Total	59.77	70.19

31 Finance Costs

Particulars	For the Period ended 31 March, 2019	For the Period ended 31 March, 2017
Interest expense	1.07	0.27
Bank Charges	0.67	1.58
Total	1.73	1.85

32 Other Expenses

Particulars	For the Period ended 31 March, 2019	For the Period ended 31 March, 2017
Advertisement Expenses	1.99	9.69
Audit Fees	3.37	1.26
Brokerage & Commission	-	1.38
Conveyance Expenses	3.40	0.90
Donation Expenses	-	0.10
Discount		0.43
Electricity Expenses	3.67	3.20
Factory Expense	0.20	0.50
Freight & Carting Charges	18.89	30.04
Insurance Expenses	0.16	0.89
Internet & Telephone Expense	2.10	2.13
Legal & Professional Fees	9.47	10.32
Other Misc Expenses	21.50	96.89
Office Building Maintainance Expenses	-	1.22
Office Expenses	0.05	10.96
Printing & Stationery Expenses	2.87	5.91
Profit & Loss on Trading of F&O	-	60.10
Prior Period Expenses	8.62	3.23
Rent, Rates & Taxes	31.72	10.00
Repairs & Maintainance	1.12	0.16
Hotel & Loaging & Lunch and Refreshment Exp	-	1.97
Bad Debts	35.01	1.52
Loss on Sauda	-	1.19
Transportation Expenses	-	0.04
Travelling Expensess	3.40	5.12
Total	147.53	259.16

Kavit Industries Limited

Notes To Consolidated Financial Statements For The Year Ended 31st March, 2019

33 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

i. Profit attributable to Equity holders of Company

	₹ in Lakhs	
	March 31, 2019	March 31, 2018
Profit attributable to equity holders of the Company for basic and diluted earnings per share	156.48	44.56

ii. Weighted average number of ordinary shares

	March 31, 2019	March 31, 2018
Weighted average number of shares at March 31 for basic and diluted earnings per shares	6,19,33,333	6,19,33,333

Basic earnings per share (in ₹)	0.25	0.07
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34 Additional information to the financial statements

(A) Contingent Liabilities and Capital Commitments

₹ in Lakhs

Particulars	As at 31 March, 2019	As at 31 March, 2018
(a) Contingent Liabilities		
(i) Claims against the Company not acknowledge as debts (on account	-	-
(ii) Guarantees given by Banks to third parties on behalf of the company	-	-
(b) No provision has been made for following demands raised by		
(i) Disputed Income Tax Liability		
Against Which amount already paid As at March 31, 2019 ₹ 32.53 lakhs	2,342.56	2,342.56
(c) Commitments		
Estimated amount of contracts remaining to be executed on capital	-	-

(B) Auditor's Remuneration

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Audit Fees (Including for Quarterly limited review)	3.37	1.00
For Certification work	-	-
Fees for other services	0.90	-
Total	4.27	1.00

Kavit Industries Limited

Notes To Consolidated Financial Statements For The Year Ended 31st March, 2019

35 FAIR VALUE MEASUREMENTS

Financial instruments by category

	As at March 31, 2019			As at March 31, 2018		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Investments						
- Equity Instruments	-	0.52	-	-	0.55	-
Loans and Advances to related parties & others	-	-	5,398.48	-	-	6,655.41
Trade Receivables	-	-	15,147.90	-	-	12,998.23
Cash and Cash Equivalents	-	-	91.37	-	-	74.32
Bank Balances other than above	-	-	-	-	-	-
Other Financial Assets	-	-	740.16	-	-	-
Total Financial Assets	-	0.52	21,377.91	-	0.55	19,727.97
Financial Liabilities						
Borrowings	-	-	411.57	-	-	621.97
Other Current financial Liabilities	-	-	333.32	-	-	112.99
Trade Payables	-	-	14,111.45	-	-	12,696.31
Total Financial Liabilities	-	-	14,856.34	-	-	13,431.26

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial Assets and Liabilities measured at fair value - recurring fair value measurements

As at March 31, 2019	Notes	Level 1	Level 2	Level 3
Financial Assets at FVOCI				
Equity Instruments	4	0.25	0.27	-
Financial Assets at amortised cost				
Deposits	6	-	-	-
Total Financial Assets		0.25	0.27	-
Financial Liabilities at amortised cost				
Borrowings (Non Current)	18	-	-	-
Total Financial Liabilities		-	-	-

For Kavit Industries Limited

Director

Kavit Industries Limited

Notes To Consolidated Financial Statements For The Year Ended 31st March, 2019

Financial Assets and Liabilities measured at fair value - recurring fair value measurements

As at March 31, 2018	Notes	Level 1	Level 2	Level 3
Financial Assets at FVOCI				
Equity Instruments	4	0.28	0.27	-
Financial Assets at amortised cost				
Deposits	6	-	-	-
Total Financial Assets		0.28	0.27	-
Financial Liabilities at amortised cost				
Borrowings (Non Current)	18	-	-	-
Total Financial Liabilities		-	-	-

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between levels 1 and 2 during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted analysis.

All of the resulting fair value estimates are included in level 1 or 2 except for unlisted equity securities where the fair values have been determined based on present values and the discount rates used were adjusted for counter party or own credit risk.

The carrying amounts of trade receivables, electricity deposit, employee advances, cash and cash equivalents and other short term receivables, trade payables, unclaimed dividend, borrowings, and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

For Kavit Industries Limited

Director

36 FINANCIAL RISK MANAGEMENT

The company's activities expose it to market risk, liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Company, through its training, standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

(A) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

(i) Trade receivables

The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. However, based on historical data, there were no significant bad debts written off nor provision for doubtful debts had been created. Further there is no Trade Receivables outstanding for more than 6 months at reporting date. Hence, allowances for doubtful debt has not been created.

(ii) Cash and cash equivalents

As at the year end, the Company held cash and cash equivalents of ₹ 33,79 Lacs (31.03.2017 ₹ 17.38 Lakhs). The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating.

(iii) Loans and advances

In the case of loans to employees, the same is managed by establishing limits. (Which in turn based on the employees salaries and number of years of service put in by the concern employee)

(iv) Other Financial Assets

Others Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

(B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Kavit Industries Limited**Notes To Consolidated Financial Statements For The Year Ended 31st March, 2019****Maturities of financial liabilities**

The tables herewith analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities

Particulars	Less than 1 year	More than 1 years	Total
As at March 31, 2019			
Non-derivatives			
Borrowings	-	411.57	411.57
Other financial liabilities	189.05	144.27	333.32
Trade payables	4,516.72	9,594.73	14,111.45
Total Non-derivative liabilities	4,705.77	10,150.57	14,856.34
As at March 31, 2018			
Non-derivatives			
Borrowings	-	621.97	621.97
Other financial liabilities	112.99	-	112.99
Trade payables	1,312.12	11,384.19	12,696.31
Total Non-derivative liabilities	1,425.11	12,006.16	13,431.26

(C) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are not exposed to market risk primarily related to foreign exchange rate risk.

(D) CAPITAL MANAGEMENT

For the purpose of Company's Capital Management, equity includes equity share capital and all other equity reserves attributable to the equity holders of the Company. The Company manages its capital to optimise returns to the share holders and make adjustments to it in light of changes in economic conditions or its business requirements. The Company's objective is to safe guard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to share holders through continuing growth and maximise the shareholders value. The Company funds its operations through internal accruals and long term borrowings competitive rate. The Management and Board of Directors monitor the return of capital as well as the level of dividend to share holders.

For Kavit Industries Limited

Director

39 Employee benefits
[a] Defined benefit plan:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded. The following tables summaries the components of net benefit expense recognized in the Statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at March 31, 2019.

a) Reconciliation in present value of obligations (PVO) - defined benefit obligation:	Gratuity - Funded as on	
	March 31, 2019	March 31, 2018
PVO at the beginning of the year	6.17	3.42
Current service cost	0.58	0.77
Interest cost	0.47	0.26
Actuarial (Gains)/Losses	(2.54)	0.13
Benefits paid	-	-
Accrued Payment	-	-
PVO at the end of the year	4.68	4.58
b) Change in fair value of plan assets:	Gratuity - Funded as on	
	March 31, 2019	March 31, 2018
Fair value of plan assets at the beginning of the year	-	-
Adjustment to opening fair value of plan assets	-	-
Expected return on plan assets	-	-
Actuarial Gains/(Losses)	-	-
Contributions by the employer	-	-
Benefits paid	-	-
Fair value of plan assets at the end of the year	-	-
c) Reconciliation of PVO and fair value of plan assets:	Gratuity - Funded as on	
	March 31, 2019	March 31, 2018
PVO at the end of period	4.68	4.58
Fair value of planned assets at tend of year	-	-
Funded status	4.68	4.58
Net asset/(liability) recognised in the balance sheet	4.68	4.58
d) Net cost for the year ended:	Gratuity - Funded as on	
	March 31, 2019	March 31, 2018
Current service cost	0.58	0.77
Interest cost	0.47	0.26
Expected return on plan assets	-	-
Actuarial (Gains)/ Losses	(2.54)	0.13
Net cost	(1.48)	1.16
e) Amount recognised in Other Comprehensive Income	Gratuity - Funded as on	
	March 31, 2019	March 31, 2018
Actuarial (Gains)/ Losses	(2.54)	0.13

Kavit Industries Limited**Notes To Consolidated Financial Statements For The Year Ended 31st March, 2019**

f) Major category of assets as at:	Gratuity - Funded as on	
	March 31, 2019	March 31, 2018
Insurer Managed funds		
Equity (%)	0%	0%
Debt (%)	0%	0%
Total (%)	0%	0%
g) Assumption used in accounting for the gratuity plan:	Gratuity - Funded as on	
	March 31, 2019	March 31, 2018
Discount rate (%)	7.70%	7.70%
Salary escalation rate (%)	7.00%	7.00%
Expected return on plan assets (%)	0.00%	0.00%

Note 1: Discount rate is determined by reference to market yields at the balance sheet date on Government bonds, where the currency and terms of the Government bonds are consistent with the currency and estimated terms for the benefit obligation.

Note 2: The estimate of future salary increases taken into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Note 3: The gratuity provision as described above is not invested or funded in any Investments options.

Kavit Industries Limited

Director

Kavit Industries Limited**Notes To Consolidated Financial Statements For The Year Ended 31st March, 2019****40 Related Party Disclosures****(i) Name of the related parties and description of relationship with whom transactions have taken place:**

Enterprises owned or significantly influenced by key management personnel or their relatives	Kavit Logistics
	Pacific Finstock Private Limited
	Pacific Health Informatic
	Sauver Finvest Mutal Benefits Limited
	Natural Expo Agro Industries Limited
	Raghuvir Internation Private Limited
	Shree Saibaba Exim Private Limited
	N A Corporation Private Limited
Key Management Personnel and their relatives	Jayesh Raichandbhai Takkar
	Bhavesb Jayantibhai Desai
	Nareshbhai Arvindbhai Patel
	Hasmukhbhai Dhanjibhai Thakkar
	Chandreshkumar Vishnubhai Kahar
	Kalyani Chandrakant Rajeshirke
	Salil Shahikant Patel
	Kiritkumar Bakulchand Mistry
	Harish Govindram Punwani
	Kavit Jayesh Thakkar

(ii) Particulars of Transactions with Related Parties

Transactions with related parties for the year ended March 31, 2019 are as follows:
(Previous Year's figures are shown in brackets)

(₹ in Lakhs)

Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives	Key Management Personnel and their relatives	Total
Office Rent	-	-	-
	-	(3.60)	(3.60)
Inter Corporate Deposit Taken	14.50	-	14.50
	(2.00)	-	(2.00)
Inter Corporate Deposit Repaid	24.54	-	24.54
	(2.00)	-	(2.00)
Loans Given	68.04	229.66	297.70
	(626.48)	(501.16)	(1,127.63)
Loan Given received back	161.32	349.44	510.76
	(346.09)	(424.23)	(770.32)
Remuneration to Director	-	12.00	12.00
	-	(13.45)	(13.45)
Salary Expenses	-	4.80	4.80
	-	-	-

For Kavit Industries Limited**Director**

Kavit Industries Limited**Notes To Consolidated Financial Statements For The Year Ended 31st March, 2019****Balance outstanding at the year end:**

Loan Payable Outstanding	90.36	-	90.36
	(18.19)	-	(18.19)
Loan Receivable Outstanding	238.63	-	238.63
	(337.18)	-	(337.18)

(iii) Significant transactions with related parties: (₹ in Lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
A) Transaction during the year		
Inter Corporate Deposit Taken		
Natural Expo Agro Industries Limited	14.50	-
Inter Corporate Deposit Repaid		
Natural Expo Agro Industries Limited	22.87	-
Loan Given		
Sauver Finvest Mutal Benefits Limited	-	150.82
Pacific Health Informatics	-	86.32
Pacific Finstock Limited	68.03	389.34
Loan Given Received Back		
Pacific Health Informatics	-	26.50
Pacific Finstock Limited	67.13	-
Sauver Finvest Mutal Benefits Limited	91.69	55.13
B) Closing Balance as at end of the year:		
Outstanding Payables		
Natural Expo Agro Industries Limited	15.90	18.19
Shree Saibaba Exim Private Limited	-	-
Raghuvir Internation Private Limited	-	-
Outstanding Receivable		
Pacific Finstock Limited	122.48	126.85
Sauver Finvest Mutal Benefits Limited	-	95.70
Pacific Health Informatics	112.14	112.14

For Kavit Industries Limited**Director**

Kavit Industries Limited

Notes To Consolidated Financial Statements For The Year Ended 31st March, 2019

39 Disclosures related to the Micro, Small and Medium Enterprises.

The Company has not received information from vendors regarding their status under the Micro, Small & Medium Enterprises Development Act, 2006 and hence disclosure relating to amount unpaid at the year end together with interest paid/payable under the Act have not been given.

40 Segment Reporting

Ind AS 108 Operating Segments requires Management to determine the reportable segments for the purpose of disclosure in financial statements based on the internal reporting reviewed by Chief Operating Decision Maker (CODM) to assess performance and allocate resources.

Operating segments are defined as 'Business Units' of the Company about which separate financial information is available that is evaluated regularly by the Chief Operating Decision Maker or decision making group in deciding how to allocate resources and in assessing performance.

The Company operates in Trading of Edible Oil, Some agricultural products and chemical products segment. The management considers that these business units have similar economic characteristics nature of the product, nature of the regulatory environment etc. Based on the management analysis, the Company has only one operating segment, so no separate segment report is given. The principal geographical areas in which the Company operates is India.

- 41** Confirmation of parties for amount due from them as per accounts of the Company are not obtained. Amount due from customers include amounts due / withheld on account of various claims. The Claims will be verified and necessary adjustments, if any, shall be made in the year of settlement. Subject to this, company is confident of recovering the dues and accordingly they have been classified as "debt considered good" and therefore no provision is considered necessary there against.
- 42** In the opinion of the Board of Directors, Current Assets, Loans & Advances have value at which they are stated in the Balance Sheet, if realized in the ordinary course of business. The provision for depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary.
- 43** The Previous year's figures, wherever necessary, have been regrouped/reclassified to conform to the current year's presentation.

As Per Our Report Of Even Date
For M Sahu & Co
Chartered Accountants
ICAI Firm Registration No.: 130001W

For and on behalf of the Board of Directors of
Kavit Industries Limited

Manojkumar Sahu
Partner
Membership No. 132623
Vadodara, 29th May, 2019

Jayesh Thakkar
Managing director

Kartik Mistry
Director

Bhavesh Desai
CFO

KAVIT INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

NOTE: 1

1.1 CORPORATE INFORMATION

Kavit Industries Limited (Formerly known as Atreya Petrochem Limited) is Public Limited Company incorporated in India under the provisions of the Companies Act, 1956. The Company's strength lies in the trading of Edible Oil, Chemicals, Agriculture Produce and Various other Products of Consumer Goods.

Significant Accounting policies followed by the Company.

1.2 CONSOLIDATION

- i. The consolidated financial statements comprise the financial statements of Kavit Industries Limited (herein after referred to as 'the Holding Company) and its subsidiary company, hereinafter collectively referred to as 'Group'.
- ii. Details of the Subsidiary company considered in the Consolidated Financial Statements are as under:

Sr No	Name of the Company	Subsidiary/ Associate / Joint Venture	% of Share Holding
1	Kavit Edible Oil Limited	Subsidiary	80%
2	Kavit Infoline Private Limited	Subsidiary	70%
3	Kavit Infra Projects Private Limited	Subsidiary	80%
4	Kavit Swach Organic Food Private Limited	Subsidiary	60%
5	Kavit Foods Private Limited	Subsidiary	70%

1.3 BASIS OF PREPARATION

i. Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act as applicable.

The accounting policies are applied consistently to all the periods presented in the financial statements.

ii. Historical cost convention

The financial statements have been prepared on a historical cost basis, except the following:

- Certain financial assets and liabilities that are measured at fair value;
- Assets held for sale – measured at lower of carrying amount or fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value.

KAVIT INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

iii. Current and non-current classification

All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle (not exceeding twelve months) and other criteria set out in the Schedule III to the Act.

iv. Functional and presentation currency

These financial statements are presented in Indian Rupees, which is the Company's functional currency.

v. Rounding of amounts

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

1.4 SIGNIFICANT ACCOUNTING POLICIES

A. Property, Plant and Equipment:

i. Recognition and measurement

Freehold land is carried at cost. All other items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognized in the Statement of Profit and Loss.

If significant parts of an item of property, plant and equipment have different useful life, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in the Statement of Profit and Loss.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 1, 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost (except to the extent of any adjustment permissible under other accounting standard) of the property, plant and equipment.

ii. Subsequent Expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation on tangible fixed assets is provided in accordance with the provisions of Schedule II of the Companies Act 2013. Depreciation on additions / deductions is calculated on pro rata basis from/up to the month of additions/deductions. The estimated

KAVIT INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

useful life, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

B. Intangible Assets:

- i. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

C. Impairment:

i. Non - financial assets

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite life may be impaired. If any such impairment exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

D. Inventories:

- i. Finished and Semi-Finished Products produced and purchased by the company are carried at Cost and net realizable value, whichever is lower.
- ii. Work in Progress is carried at lower of cost and net realizable value.
- iii. Raw Material is carried at lower of cost and net realizable value.
- iv. Stores and Spares parts are carried at cost. Necessary provision is made and expensed in case of identified obsolete and nonmoving items.

Cost of Inventory is generally ascertained on the 'Weighted average' basis. Work in progress, Finished and semi-finished products are valued at on full absorption cost basis.

Cost Comprises expenditure incurred in the normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overheads based on normal level of activity. Packing Material is considered as finished goods. Consumable stores are written off in the year of Purchase.

E. Foreign Currency Transactions

Transactions in Foreign Currency and Non-Monetary Assets are accounted for at the Exchange Rate prevailing on the date of the transaction. All monetary items denominated in Foreign Currency are converted at the Year-End Exchange Rate. The Exchange Differences arising on such conversion and on settlement of the transactions are recognized as income or as expenses in the year in which they arise.

KAVIT INDUSTRIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH 2019

F. Investments and Other Financial Assets:

Classification

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through Statement of Profit and Loss), and
- Those measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt or equity investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, in case of a financial asset not at fair value through profit and loss, the Company measures a financial asset at its fair value plus, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through Statement of Profit and Loss are expensed in Statement of Profit and Loss.

(a) Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost.

(b) Fair Value through Other Comprehensive Income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through Other Comprehensive Income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit and loss and recognized in other gains/ losses. Interest income from these financial assets is included in other income using the effective interest rate method.

(c) Fair value through profit and loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through Statement of Profit and Loss. Interest income from these financial assets is included in other income.

KAVIT INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

Equity Instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to Statement of Profit and Loss. Dividends from such investments are recognized in Statement of Profit and Loss as other income when the Company's right to receive payment is established.

Changes in the fair value of financial assets at fair value through profit and loss are recognized in other gain/losses in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Derecognition

A financial asset is derecognized only when

- (a) The Company has transferred the rights to receive cash flows from the financial asset or
- (b) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

G. Cash and Cash Equivalents:

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and highly liquid investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

H. Financial Liabilities:

Measurement

All financial liabilities are recognized initially at fair value and in the case of loans, borrowings and payables recognized net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process.

I. Revenue recognition:

Effective April 1, 2018, the company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to

KAVIT INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

J. Other Income:

Other income is comprised primarily of interest income, dividend income, gain/loss on investments and exchange gain/loss on forward and options contracts and on translation of other assets and liabilities. Interest income is recognized using the effective interest method. Claims for export incentives/ duty drawbacks, duty refunds and insurance are accounted when the right to receive payment is established. Dividend Income is recognized when the right to receive dividend is established.

K. Employee benefits:

A. Short term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, performance incentives, etc. are recognized at actual amounts due in the period in which the employee renders the related service.

B. Contribution towards defined benefit contribution Schemes

Gratuity plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on post-employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Company. The aforesaid liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. Current service cost, Past-service costs are recognized immediately in Statement of profit or loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Re measurements are not reclassified to profit or loss in subsequent periods.

L. Borrowing costs:

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

KAVIT INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

M. Taxes on Income:

Income Tax expense comprises of current and deferred tax. Income Tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

(i) Current Tax

Current Tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period. Current tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date

Current tax assets and liabilities are offset if, and only if, the Company:

- a) has a legally enforceable right to set off the recognized amounts; and
- b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

KAVIT INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

N. Provisions and Contingencies:

- a) Provisions are recognized based on the best estimate of probable outflow of resources which would be required to settle obligations arising out of past events.
- b) Contingent liabilities not provided for as per (a) above are disclosed in notes forming part of the Financial Statements. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.
- c) Contingent Assets are disclosed, where the inflow of economic benefits is probable.

O. Earnings per Share:

- a) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.
- b) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

P. Leases:

Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases.

As a lessee

Payments made under operating leases (net of incentives received from the lessor) are charged to Statement of Profit and Loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Company is a lessor is recognized in income on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

The respective leased assets are included in the balance sheet based on their nature.

Q. Exceptional items:

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

KAVIT INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

2. USE OF JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

While preparing financial statements in conformity with Ind AS, the management has made certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial position date and the reported amount of income and expenses for the reporting period. Financial reporting results rely on the management estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecasted and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgment, estimates and assumptions are required in particular for:

a) Determination of the estimated useful life of tangible assets

Useful life of tangible assets is based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful life are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

b) Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long-term nature, defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

c) Recognition of deferred tax liabilities

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carryforwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

d) Discounting of financial assets / liabilities

All financial assets / liabilities are required to be measured at fair value on initial recognition. In case of financial assets / liabilities which are required to be subsequently measured at amortized cost, interest is accrued using the effective interest method.

Kavit Industries Limited

Village : Tundav, Tal. : Savli, Dist.: Vadodara-391 775.

Phone: +91-265-2361100, E-Mail : kavitindustrieslimited@gmail.com , web: www.kavitindustries.in

**ATTENDANCE SLIP**

(to be presented at the entrance)

ANNUAL GENERAL MEETING ON SATURDAY, SEPTEMBER 28, 2019 AT 09:00 A.M.

at Village : Tundav, Tal. : Savli, Dist.: Vadodara-391 775

Folio No. _____ DP ID No. _____ Client ID No. _____

Name of the Member _____ Signature: _____

Name of the Proxyholder _____ Signature _____

1. Only Member/Proxyholder can attend the Meeting.

2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting

..... ✕

Kavit Industries Limited

Village : Tundav, Tal. : Savli, Dist.: Vadodara-391 775.

Phone: +91-265-2361100, E-Mail : kavitindustrieslimited@gmail.com , web: www.kavitindustries.in

**PROXY FORM**

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

Name of the Member(s) : _____

Registered address : _____

_____ E-mail Id : _____

Folio No. / Client ID No. : _____ DP ID No. _____

I / We, being the member(s) of _____ Shares of Creative Castings Limited, hereby appoint

1. Name: _____ E-mail _____ Id: _____

_____ Address: _____

_____ Signature: _____ or failing him/her

2. Name: _____ E-mail Id: _____

Address: _____

_____ Signature: _____ or failing him/her

3. Name: _____ E-mail Id: _____

Address: _____

_____ Signature: _____ or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Saturday, September 29, 2018 at 09:00 a.m. at Village : Tundav, Tal. : Savli, Dist.: Vadodara-391 775 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Businesses:

1. To receive, consider and adopt the Financial Statements including Audited Balance Sheet, Statement of Profit and Loss account and Cash Flow Statement for the year ended March 31, 2019 along with the Reports of the Auditors' and Boards' thereon;

2. To appoint a Director in place of Mr. Jayesh Raichand Thakkar (DIN- 01631093), who retires by rotation and, being eligible, offers himself for reappointment;

3. To appoint M. Sahu & Co. Statutory Auditors for Five Years;

Special Businesses

4. To appoint Statutory Auditors to fill up Casual Vacancy caused by resignation of auditors;

5. To appoint Shri Naresh Arvindbhai Patel (DIN: 06736529) as a Director of the company;

6. To appoint Shri Hasmukh Dhanjibhai Thakkar (DIN: 07183270) as a Director of the company;

7. To appoint Shri ChandreshKumar Vishnubhai Kahar (DIN: 07318098) as a Director of the company;

8. To appoint Shri Naresh Arvindbhai Patel (DIN: 06736529) as an Independent Director of the company;

9. To appoint Shri Hasmukh Dhanjibhai Thakkar (DIN: 07183270) as an Independent Director of the Company;

10. To appoint Shri ChandreshKumar Vishnubhai Kahar (DIN: 07318098) as an Independent Director of the Company;

11. To re-appointment Shri Jayesh Raichand Thakkar (DIN: 01631093) as a Managing Director of the Company

12. To amend the Object Clause of the Company

Affix
Re. 1
revenue
stamp

Signed this _____ day of _____, 2019

Signature of shareholder..... Signature of Proxyholder(s).....

NOTES:

1. This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at Village :Tundav, Tal. : Savli, Dist.: Vadodara-391 775, not less than 48 hours before the commencement of the Meeting.

2. Those Members who have multiple folios with different joint holders may use copies of this Attendance slip/Proxy.