

KAVIT INDUSTRIES LTD.

(Formerly Known as Atreya Petrochem Ltd.)

CIN No. L23100GJ1990PLC014692



06.11.2020

To,
BSE Limited
Department of Corporate Services
P.J. Towers, Dalal Street,
Fort, Mumbai – 400001

Scrip Code: 524444

Subject: Submission of the Annual Report of the Company for the financial year ended 31st March, 2020.

Dear Sir/Madam,

In accordance with the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of the Annual Report of the Company for the financial year ended 31st March, 2020.

Kindly take the same on your record.

Thanking You,

Yours faithfully,

For Kavit Industries Limited

Mikil Gohil
Company Secretary
M.No:A49993



Encl: as above



ANNUAL REPORT

2019 - 20

**Kavit Industries
Limited**

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BOARD OF DIRECTORS:

Shri Jayesh R. Thakkar
Ms. Kalyani Rajshirke (upto 19.12.2019)
Ms. Payal Gajjar (w.e.f. 24.03.2020)
Shri Naresh A. Patel
Shri Hasmukh D. Thakkar
Shri Chandresh V. Kahar
Shri Salil S. Patel
Shri Kartik B. Mistry

Shri Bhavesh Desai

Shri Mikil Gohil (w.e.f. 01.06.2020)
Shri Harish Punwani (upto 18.02.2020)

STATUTORY AUDITOR:

M/s. M Sahu & Co.,
Chartered Accountants,
720-B , Yash Kamal Building,
Above Havmor Restaurant
Sayajigunj
Vadodara- 390 005

REGISTRAR & TRANSFER AGENT:

LINK INTIME INDIA PVT. LTD.
B-102 & 103, Shangrila Complex,
Opp. HDFC Bank, Nr. Radhakrishna
Char Rasta, Akota, Vadodara-78.
Phones : 022- 49186270,
Fax : 022- 49186060
Email: rnt.helpdesk@linkintime.co.in

STOCK EXCHANGES:

BSE Ltd

BANKERS:

Indian Overseas Bank, Vadodara
Allahabad Bank, Vadodara
Bank of Baroda, Vadodara
HDFC Bank, Vadodara
Dena Bank, Vadodara
State Bank of India, Vadodara

Chairman & Managing Director
Independent Woman Director
Independent Woman Director
Independent Director
Non-Independent Director
Independent Director
Independent Director
Independent Director

CHIEF FINANCIAL OFFICER

COMPANY SECRETARY
COMPANY SECRETARY

SECRETARIAL AUDITOR:

Devesh Pathak & Associates,
Company Secretaries
First Floor, 51,
Udyognagar Society,
Nr. Ayurvedic College,
Outside Panigate,
Vadodara- 390 019

REGISTERED OFFICE & WORKS:

KAVIT INDUSTRIES LIMITED
Village: Tundav,
Tal. : Savli
Dist.: Vadodara-391 775.
Phone : 0265-2362200
Phone: 0265-2361100
E-Mail: info@kavitindustries.in
kavitindustrieslimited@gmail.com
Web: www.kavitindustries.in

KAVIT INDUSTRIES LIMITED
(CIN: L23100GJ1990PLC014692)

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

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

Website: www.kavitindustries.in

Tel No.: 0265-2362200 / 0265-2361100

NOTICE

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of the Members of **KAVIT INDUSTRIES LIMITED** (formerly known as Atreya Petrochem Limited) will be held on Monday, 30th November, 2020 at 11:00 A.M. at its Registered Office situated at Tundav Anjesar Road, Village - Tundav, Taluka: Savli, Vadodara -391775, Gujarat to transact the following Business:

ORDINARY BUSINESSES:

1. To receive, consider and adopt the
 - Audited Standalone Financial Statement for the year ended 31st March, 2020 along with Report of Boards' and Auditors' thereon.
 - Audited Consolidated Financial Statement for the year ended 31st March, 2020 along with the Auditors' Report 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 re-election.
3. To write off long outstanding Sundry Creditors and Sundry Debtors balances since 2016-17
 - Sundry Creditors – Rs. 70,64,74,701/-
 - Sundry Debtors – Rs. 74,06,26,810/-

SPECIAL BUSINESSES:

Item No. 4 - To appoint Ms. Payal Gajjar (DIN: 08745777) as a Director liable to retire by rotation.

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

“RESOLVED THAT Ms. Payal Gajjar (DIN: 08745777), who was appointed by the Board of Directors as an Additional Director of the Company pursuant to Section 161 of the Companies Act, 2013 (“the Act”) read with applicable clauses of the Articles of Association of the Company, to hold office upto the next Annual General Meeting and in respect of whom a requisite notice is received pursuant to Section 160 of the Act, and whose appointment is recommended by the Nomination & Remuneration Committee and the Board of Directors, be and is, hereby appointed as a Director of the Company, liable to retire by rotation, pursuant to provisions of Section 152 of the Act.

RESOLVED FURTHER THAT any Director of the Company and the Company Secretary be and are, hereby severally authorised to do all the acts, deeds and things as may be necessary and expedient for the purpose including filing requisite forms with the Registrar of Companies.”

Item No. 5 – To approve increase in Remuneration of Mr. Jayesh R. Thakkar, Chairman & Managing Director of the Company

To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to recommendation and approval by the Nomination and Remuneration Committee and approval by the Board of Directors and pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) approval of the members of the Company be and is hereby accorded for payment of remuneration, benefits and amenities to Mr. Jayesh R. Thakkar, as Chairman & Managing Director of the Company w.e.f 1st April 2020, in accordance with the terms and conditions as set out in item no. 4 of the explanatory statement with liberty to Board of Directors to alter and/or to vary the terms and conditions of the re-appointment, including the terms of remuneration, as may be agreed to, between the Board of Directors and Mr. Jayesh R. Thakkar.”

“RESOLVED FURTHER THAT in case of absence of profit or in adequate profit in any financial year, during the currency of the tenure of Mr. Jayesh Thakkar as Chairman & Managing Director of the Company, the remuneration by way of salary, perquisites, bonus, etc., as per item no. 4 of Explanatory Statement shall be treated as Minimum Remuneration.”

Item No. 6 – To approve Change of Name of the Company from Kavit Industries Limited to Evexia Lifecare Limited

To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act 2013, (including any statutory modification or re-enactment thereof for the time being in force) and subject to the approval of the Central Government(Power delegated to Registrar of Companies) or any other authority as may be necessary, the consent of the members be and is hereby given to change the name of the Company from ‘KAVIT INDUSTRIES LIMITED’ to ‘EVEXIA LIFECARE LIMITED’.”

“RESOLVED FURTHER THAT the name ‘Kavit Industries Limited’ wherever appearing in the Memorandum and Articles of Association, other documents etc. be substituted by the new name ‘Evexia Lifecare Limited’ upon approval of the same by the Central Government.”

“RESOLVED FURTHER THAT any Director of the Company be and is hereby authorized to make the necessary application to the Central Government for the approval of the aforesaid name and to take all such steps that may be required to give effect to this resolution.”

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 which sets out details relating to special business to be transacted at the AGM is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANY OTHER PERSON AS A PROXY TO ATTEND AND VOTE AT THE MEETING ON HIS/HER BEHALF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

As per Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of Members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 (forty eight) hours before the commencement of the meeting. Proxies submitted on behalf of the companies, societies etc. must be supported by an appropriate resolution/authority, as applicable.

The Attendance Slip and a Proxy Form with clear instructions for filling, stamping, signing and/or depositing the Proxy Form are enclosed. Members / proxies should bring duly filled attendance slips sent herewith to attend the meeting.

3. 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.
4. The instrument appointing proxy, duly completed, must be deposited at the Company’s registered Office not less than forty eight (48) hours before the commencement of the meeting. A proxy form for the AGM is enclosed in the Annual Report.
5. The Register of Directors’ and Key Managerial Person, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
6. The Register of Members and Share Transfer Books of the Company will remain closed from **Tuesday, 24th November, 2020 to Monday, 30th November, 2020 (both days inclusive)** – Same was withdrawn by intimation to BSE by letter dated 06.11.2020.

7. Pursuant to Sections 101 and 136 of the Companies Act, 2013 read with Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their email addresses either with the Company/Registrar or with the Depository Participant(s). Members who have not registered their email addresses with the Company can now register the same by submitting a duly filled-in request form with the Registrar. Members holding shares in demat form are requested to register their email addresses with their Depository Participant(s) only.
8. 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.
9. **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.**
10. Request for additional information, if required, 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. Mikil Gohil, 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.
11. The annual report duly circulated to the members of the company, is also available on the company's website www.kavitindustries.in
12. **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 Friday, 27th November, 2020 at 09:00 AM and ends on Sunday, 29th November, 2020 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 Monday, 23rd November, 2020 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).

- (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.

13. 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
14. **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.
15. 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.
16. 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.
17. Members/ proxies are requested to bring their attendance slip duly filled in along with their copy of Annual Report to the meeting.
18. Profile of the directors being appointed / re-appointed as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'):

Name of Director	Mr. Jayesh Thakkar	Mrs. Payal Gajjar
Nationality	Indian	Indian
Date of Birth	01.06.1964	17.09.1993
Date of Appointment	28.01.2011	24.03.2020
Experience (Years)	25 Years	3 Years
Expertise in specific functional areas	He is associated with the Company since 2011.	Nil
Qualification	Bachelor of Commerce	BARK
Disclosure of relationship between Directors inter se	Promoter	Woman Director
Directorship held in other public companies in India	Sauver Finvest Mutual Benefits Limited, Kavit Edible Oil Limited	Nil
Membership of committees held in other public companies in India	Nil	Nil
No. of equity shares held in the Company	24,44,296	Nil

Date : 03.11.2020
Place : Vadodara

By Order of the Board of Directors
For Kavit Industries Limited

Sd/-
Mikil Gohil
Company Secretary
Membership No. A49993

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 4: To appoint Ms. Payal Gajjar (DIN: 08745777) as a Director liable to retire by rotation

Ms. Payal Gajjar, has been appointed by the Board of Directors as an Additional Woman Director pursuant to Section 161 of the Companies Act, 2013 and pursuant to applicable clauses of the Articles of Association of the Company, to hold office up to the date of the ensuing Annual General Meeting ("AGM") and is eligible to be appointed as a Director of the Company. The Company has, in terms of Section 160 of the Act, received, in writing, a requisite notice from a Member proposing her candidature for the office of Director. Her appointment is also recommended by the Nomination & Remuneration Committee.

The Company has received from Ms. Payal Gajjar (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) of the Act. The profile and specific areas of expertise of Mrs. Payal Gajjar are provided in the Corporate Governance Report.

Your Directors recommend and seek your approval to the resolution, as appearing in item no. 3 of the accompanying notice, by way of Ordinary Resolution.

Except Ms. Payal Gajjar, 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. 3 of the notice.

Item No. 5: To approve increase in remuneration of Mr. Jayesh R. Thakkar, Chairman & Managing Director

Mr. Jayesh R Thakkar was re- appointed and designated as Chairman & Managing Director of the Company by the members at the AGM held on 28th September, 2019 for a period of 3 years i.e. from 29th December, 2019 to 28th December, 2022.

Pursuant to Section 197 read with Schedule V of the Companies Act, 2013, the revised remuneration of Mr. Jayesh Thakkar as decided by the Board is required to be approved by the Members at their meeting due to inadequacy of profits.

It is submitted that based on the projections, the overall managerial remuneration may exceed the limits Specified in Sec. 197 of the Companies Act, 2013. The Members are requested to consider the revision in remuneration of Mr. Jayesh Thakkar, Chairman & Managing Director of the Company.

The principal terms and conditions of revision of Managerial Remuneration to be paid to Mr. Jayesh R. Thakkar as the Chairman & managing Director of the Company are as follows:

1. **Basic Salary:** Basic Salary not exceeding of Rs. 3,00,000/- lakhs per month, during the term.
2. **Allowances:** In addition to the salary, Mr. Jayesh Thakkar, as Chairman & Managing Director, shall also be entitled to allowances subject to maximum Rs. 36,00,000/- per annum during the term.

Perquisites and allowances shall be evaluated as per the income tax rules, wherever applicable. In absence of any such rules, perquisites and allowances shall be evaluated at actual cost.
3. **Provident Fund, Superannuation / Annuity fund (Retirals):** Company's contribution to provident fund and superannuation or annuity fund, gratuity and other Retirals shall be paid in accordance with the applicable rules of the Company and statutory provisions calculated as percentage of Basic salary, to the extent these either singly or together are not taxable under the Income Tax Act.
4. **Performance Incentives:** In addition to the salary and perquisites, Mr. Thakkar shall be entitled to such performance incentives in any financial year during his remaining tenure as may be determined by the Board of Directors of the Company on recommendation of Nomination and Remuneration Committee.

Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, wherein in any financial year, during the currency of the tenure of Mr. Jayesh Thakkar as Managing Director of the Company, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites, etc., as specified above.

Section 197 read with Schedule V of the Companies Act, 2013 requires the Company to obtain the approval of Shareholders by means of a Special resolution for revision of remuneration terms and in case the remuneration payable exceeds the limits in case of inadequacy of profits.

The Board accordingly recommends the special resolution at item no. 4 of this notice for the approval of the Members.

Members may note that the Company has not committed any default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor. A statement as per item (iv) of third proviso of Section II of Part II of Schedule V to the Companies Act, 2013, forms part of this notice.

None of the Directors, Key Managerial Personnel of the Company or their relatives, except Mr. Jayesh Thakkar, is in any way, concerned or interested, financially or otherwise, in aforementioned resolution.

STATEMENT IN TERMS OF ITEM (IV) OF THIRD PROVISIO OF SECTION II OF PART II OF SCHEDULE V TO THE COMPANIES ACT, 2013:

I. GENERAL INFORMATION:

(1) Nature of industry:

The Company is engaged in the trading of the various chemicals, edible oils, diamonds/gold/silver etc. In this financial year, the company has also started manufacturing of reprocessed of plastic granules.

(2) Date or expected date of commencement of commercial production:

The Company's plant is already in operation, since 1992.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable as the Company is an existing Company.

(4) Financial performance based on given indicators:

(Rs. In Lacs)

Particulars	FY 2019-20
Effective Capital	6193.33
Total Income	10162.84
Profit (Before Tax)	490.52

(5) Foreign investments or collaborations, if any : NA

II. INFORMATION ABOUT THE APPOINTEE:

(1) Background details: Mr. Jayesh Thakkar is a Commerce Graduate having around 25 years of experience in various industries.

(2) Past remuneration: Rs. 1,00,000/- p.m

(3) Recognition or awards: NA

(4) Job profile and his suitability: He is associated as Managing Director with the Company since year 2011. He has wide range of expertise and resultant the Company is performing well even in slack market conditions.

(5) Remuneration proposed:

Please refer item no. 4 of the statement annexed to this notice pursuant to Section 102(1) of the Act.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

Considering the responsibility shouldered by him of the enhanced business activities of the Company, remuneration is commensurate with Industry standards and Board level positions held in similar sized and similarly positioned businesses

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Mr. Jayesh Thakkar does not have any pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel.

III. OTHER INFORMATION:

(1) Reasons of loss or inadequate profits

The company has made adequate profit during the FY 2019-20.

(2) Steps taken or proposed to be taken for improvement

Not Applicable

(3) Expected increase in productivity and profits in measurable terms

Not Applicable

IV. DISCLOSURES:

Disclosure as required under sub clause IV of clause (iv) of section II of part II of Schedule V are mentioned in the Board's report under the heading "Corporate Governance".

Item no. 6: To change name of the Company

At the Board meeting held on 22nd day of September, 2020, the Directors of the Company put forward the proposal to change the name of the Company by new name "Evexia Lifecare Limited" would be used to give better representation in the Market. The Board of Directors discussed the same and is of the opinion that the name of the company be changed from 'Kavit Industries Limited' to 'Evexia Lifecare Limited'.

Company is in planning to take the business of existing Pharma Company and to give effect of such business takeover of Pharma Company, Company has decided to change the name of the Company from 'Kavit Industries Limited' to "Evexia Lifecare Limited".

As a result of change in the name, the clause I of the Memorandum of Association is also required to be suitably amended i.e. the Name Clause of the Memorandum of Association.

Your Directors recommend the above as Special Resolution.

None of the Directors or their relatives are deemed to be concerned or interested in any way in this resolution.

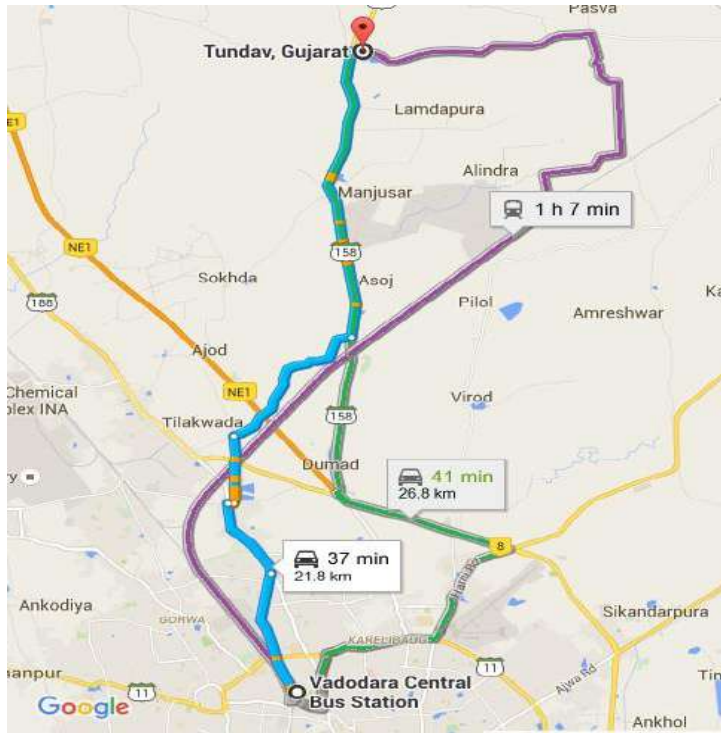
Date : 03.11.2020

Place : Vadodara

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

**Sd/-
Mikil Gohil
Company Secretary
Membership No. A49993**

Route Map for attaining the Annual General Meeting



MANAGEMENT DISCUSSION AND ANALYSIS

Business Vertical-Chemical Trading

We **Kavit Industries Limited** into the trading of the Chemicals for more than a decade. The company is one of the leading company in trading of the industrial chemicals at large. We are mainly trading into Pharma chemicals. Which are mainly used in drugs. This trading business shares larger number of revenue of the company..

This trading segment have high potential of profit margin in India. The management has jump into this segment considering the low-cost business as our purchase is based on the customer order. We are the largest player in this segment of Chemical Trading.

We are expecting Rs. 100 crores turnover from the trading business by March 2021.

Kavit Industries Limited, is well-known into this segment due to our commitment towards the delivery of materials on time. We are very competitive and know brand. We are committed towards our customers for the timely and safe delivery of the chemicals mainly in Mumbai region where we have Branch Office in Mumbai to manage this trading business.

Business Vertical-Plastic Reprocessing Plant

Kavit Industries Limited, under the expansion program of the company, the company was entered into **Manufacturing of Plastic Granule** Business in December 2019. Looking at the opportunity in the plastic waste segment, the company has decided to start the production of the reprocessing of plastic granules considering the HIGH demand of the same in the near area of HALOL. This location have more then 600 units which are using reprocessing plastic granules as Raw Material which is the biggest consumption of the plastic reprocessing granules across ASIA. The company has already acquired land and build 1 shade of 60,000 Sqft and 2 shads of 10,000 sqft. at Vadodara location. The Company is expecting Rs. 33 Crores turnover by March 2021.

The opportunity of the reprocessing plant, the company has started its commercial production in December 2019 with capacity of 500 tonne per month output which is HIGHEST in the plastic industries.

For the plant and machinery, the company has entered into agreement with Thakkar Techno Engineers, who are the well-known in the Gujarat. They have more then 40 years experience in the plant & machinery for the plastic granules.

The response of the business is above the expectations in just 3 months. Hence, the company has decided to jump into another segment "MASTER BATCH" which is mainly used across all the plastic industries. The company has already invested Rs. 50 Lakhs for the setup of the plant at Vadodara.

Business Vertical-Edible Oil

Kavit Industries Limited "KAVIT" was 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 offered different types of edible oils to consumer market. To produce best quality edible oil, company had 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 was 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 had its own

manufacturing plants to manufacturer and pack Tins, Bottles, Jars. To serve Industrial Segment, Kavit Industries planning to offer export quality edible oil and its Derivatives across the Globe.

About Group Companies

Kavit Trading Private Limited (Formerly Kavit Infoline Private Limited) -**Software, Gold and Entertainment Division** (Subsidiary of Kavit Industries Limited) Now we want to expand our Line of Business in Web development, Software Development for Overseas client, trading of Gold and Entertainment segment.

We provides consulting, implementation, business transformation and operational solutions for clients across the globe. We realize that business must keep pace with the speed of thought. We believe that ideas and enterprises deserve substantial reinvention, so we address the changing needs of business with solutions that are cost-effective, fast to deploy, highly scalable and reliable. We are expecting growth in this business and turnover of Rs. 3-4 Crores by March 2021.

We trade into Gold, Diamonds etc also in this company. This is very demanding segment in as India is the 2nd largest consumer of Gold and Diamond. Where high demand and supply is already in place. This segment is mainly part of the trading activity. We are expecting Rs. 500-700 Crores turnover from import and domestic trade by March 2021.

Kavit Hospitality Private Limited (Formerly Kavit Swachh Organic Food Private Limited), where are into hospitality industries. We are having live kitchen concept for home delivery in Vadodara, Gujarat. We are focusing here mainly during night orders to attract more customer base. We are now also associated with **McCan** which is leading company for providing ready to eat items.

This segment has added start to our group. During this pandemic of COVID-19, we took this as opportunity in this line of business. We as a brand, have developed our name in the city for home delivery of Pizza and other continental foods. Looking at the present scenario that company is expecting decent growth in Home Delivery items and expecting business of Rs. 1.00-1.50 Crores by March 2021.

BOARDS' REPORT

To,
The Members of Kavit Industries Limited

Your Directors present herewith the 29th Annual Report on the affairs of the Company together with Audited Statement of Accounts for the financial year ended March 31, 2020.

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

The financial results of the Company for the accounting year ended on 31st March 2020, are as follows:

Particulars	Year Ended March 31, 2020		Year Ended March 31, 2019	
	Standalone	Consolidated	Standalone	Consolidated
Total Revenue	10162.84	10472.04	9487.31	10889.37
Profit/(Loss) before Depreciation & Tax	521.46	520.38	252.99	256.57
Add/(Less) : Depreciation	(30.94)	(30.94)	(31.72)	(31.72)
Profit (Loss) Before Taxes	490.52	489.44	221.27	224.85
Taxes expenses				
Current Tax	(146.44)	(146.69)	(71.57)	(72.80)
Deferred Tax	3.73	4.21	4.57	4.57
Income Tax of earlier years	-	-	-	(0.14)
Net Profit /(Loss)	347.80	346.97	154.27	156.48
Add/(Less) Total other comprehensive income	2.29	2.43	1.84	1.99
Total Comprehensive Income for the period	350.09	349.40	156.09	158.46
Total Comprehensive Income for the period attributable to owners of the Company	0	349.56	0	157.90
Add/(Less) balance brought forward	179.78	185.05	23.69	27.42
Balance carried forward to balance sheet	529.88	534.62	179.78	185.32

2. Business overview:

Standalone total revenue and net profit have increased from Rs. **9487.31** lakhs and Rs. **154.27** Lakhs respectively for the previous year ended on 31st March , 2019 to Rs. **10162.84** Lakhs and Rs. **347.80** Lakhs respectively for the year ended on 31st March , 2020 registering a growth of about 7.11%.

Consolidated Total Revenue and Net Profit have increased from Rs. **10889.37** lakhs and Rs. **156.48** respectively for the previous year ended on 31st March, 2019 to Rs. **10472.04** Lakhs and Rs. **346.96** Lakhs respectively for the year ended on 31st March, 2020 regarding a loss of about 4.15%.

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. STATUTORY AUDITORS:

M/s M Sahu & Co. (FRN- 130001W) - Chartered Accountants, hold the office till the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. They have confirmed their eligibility to the effect that their reappointment, if made, would be within the prescribed limits under the Act and they are not disqualified for reappointment.

6. 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 2020-21 under consideration.

The Secretarial Audit Report for the Financial year ended 31st March, 2020 is certified by Mr. Devesh Pathak and is annexed herewith as "Annexure-I" to this report.

7. 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.

8. TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND.

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

9. DETAILS OF SUBSIDIARY, JOINT VENTURES OR ASSOCIATES

The Company has subsidiary Companies, namely, Kavit Edible Oil Limited, Kavit Hospitality Private Limited (Formerly Kavit Swachh Organic Food Private Limited), Kavit Trading Private Limited (formerly Kavit Infoline Private Limited) and Kavit 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".

10. 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).

11. 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, 2020, the applicable accounting standards read with requirement set out under Schedule III of the act have been followed and there are no 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 have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the Annual Accounts on a going concern basis;
- (v) the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; 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.

12. CORPORATE GOVERNANCE :

The Company is committed to maintain the highest 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 Statutory Auditors of the Company 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.

13. 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 for more details.

14. 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.

15. 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.

16. 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.

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.

17. 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.

18. 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	2019-20	2018-19
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

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

Details of the same is provided in the financial statement.

20. 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.

21. 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.

22. 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.

23. DISCLOSURE ON ESTABLISHMENT OF VIGIL MECHANISM:

The Company has adopted a vigil mechanism under Section 177(9) of the Companies Act, 2013 read with Companies (Meetings of Board And Its Powers) Rule, 2014 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a Whistle Blower Policy to provide a mechanism to its directors, employees and other stakeholders to raise concerns violation of legal or regulatory requirements, misrepresentation of any financial statement and to report actual or suspected fraud or violation of the Code of Conduct of the Company..

24. CORPORATE SOCIAL RESPONSIBILITY (CSR):

The provisions of Section 135 of the Companies Act, 2013 read with Rule 9 of the Companies (Accounts) Rules, 2013 is not applicable to the Company.

25. 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

- Company has started business of Plastic Granules, Gold, Diamond, Prescious Stone during the year

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.

- Kil has received Income Tax Appellate Tribunal order Ref. ITA Nos. 1003 to 1005/Ahd/2004 & ITA Nos. 1065 to 1067/Ahd/2004 for Assesment Year 1998 – 99 to 2000 – 01 dated 29.10.2019 in Favour of Company.
- Kil received Commissioner of Income Tax (Appeals – 3), Vadodara order Ref. CIT(A) – 3/10066/2017 – 18 for Assesment Year 2014 – 15 dated 28.08.2019 in Favour of Company.

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.

26. 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.

27. 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.

28. 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: 03.11.2020

Place: Vadodara

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

**Sd/-
Jayesh Thakkar
Chairman
DIN - 01631093**

Form No. MR-3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020**

[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. Tundav, 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 (generally electronically only in view of COVID-19 advisories) of the 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, 2020 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 (generally electronically only in view of COVID-19 advisories) the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (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 & 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: Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018]
- (vi) Having regard to the products and processes 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 complied with the following laws applicable specifically to the Company:
- (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. (Mandatory) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with BSE Ltd. [including Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR')]

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

- (a) Actions in respect of no appointment / delayed appointment of Qualified Company Secretary as a Compliance Officer pursuant to Regulation 6 of LODR by BSE were as follows:
- Notice for penalty of Rs. 1,06,200 vide their letter dtd. 15.05.2019 in respect of no appointment of Compliance Officer during the quarter ended on 31st March, 2019;
 - Notice vide their email dtd. 23.08.2019 for freezing of promoters' holding in respect of no appointment of Compliance Officer during the quarter ended on 31st December, 2018 and non-compliance in respect of fine of Rs. 1,08,560;
 - Notice vide their email dtd. 25.09.2019 for freezing of promoters' holding in case of non compliance and non-payment of Rs. 1,06,200 in respect of no appointment of Compliance Officer during the quarter ended on 31st March, 2019;
 - Notice for penalty of Rs. 87,320 vide their letter dtd. 14.08.2019 in respect of delayed appointment of Compliance Officer during the quarter ended on 30th June, 2019.
 - Notice vide mail dtd. 05.12.2019 for freezing of promoters' holding in respect of delayed appointment of Compliance Officer during the quarter ended on 30th June, 2019 and non-payment of fine of Rs. 87,320.

In the regard we have been informed by the Company that they appointed Mr. Harish Punwani a qualified Company Secretary as a Compliance Officer with effect from 14.06.2019.

He resigned with effect from 18th February, 2020. Thereafter, Mr. Mikil Gohil is appointed as Company Secretary and Compliance Officer with effect from 1st June, 2020.

(b) Website Disclosure:

- Notices given to shareholder by advertisement were not uploaded on the website of the Company.
- Disclosure of events as specified in Regulation 30 of LODR for last years are particularly uploaded on the website of the Company.

We have been informed by the Company that they are in process of updation.

(c) Loans and Advances granted by the Company were not in compliance with Section 185 of the Companies Act, 2013 ('Act').

(d) Out of 2,66,45,783 Equity Shares held by Promoters, 2,66,38,351 Equity Shares are dematerialized as on 31st March, 2020.

(e) The financial statement, including consolidated financial statement required to be signed by two directors, Chief Financial Officer and Company Secretary of the Company, are signed on 29th May, 2019 on behalf of the Board by two directors and the Chief Financial Officer only since the appointment of Company Secretary was made at a later date i.e. w.e.f. 14th June, 2019.

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 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, the Company has:

(a) 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
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008

were not applicable during the audit period under review.

(b) 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 audit period under review.
- (c) 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.
- (d) made delayed:
 - i. Appointment of Compliance Officer of the Company by 164 days.
 - ii. Submission of Statement of Investor Complaints for the quarter ended 31st March, 2019 by 12 days.
 - iii. Submission of Compliance Report on Corporate Governance for the quarter ended 31st March, 2019 by 118 days.
 - iv. Submission of Compliance Report on Corporate Governance for the quarter ended 30th June, 2019 by 109 days.
 - v. Submission of Compliance Report on Corporate Governance for the quarter ended 31st December, 2019 by 7 days.
 - vi. Submission of Annual Secretarial Compliance Report for the year ended 31st March, 2019 by 57 days.

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

- (e) appointed Mr. Harish Punwani as a Company Secretary and Compliance Officer of the Company w.e.f. 14th June, 2019.
- (f) appointed M Sahu & Co., Chartered Accountants, Vadodara as statutory auditors of the Company at its 28th Annual General Meeting held on 28th September, 2019 to fill the casual vacancy caused due to resignation of M/s. Sheetal Samriya & Associates.
- (g) passed following Special Resolutions at its 28th Annual General Meeting held on 28th September, 2019:
 - Approving appointment of Shri Naresh Arvindbhai Patel as an Independent Director of the Company;
 - Approving appointment of Shri Hasmukh Dhanjibhai Thakkar as an Independent director of the Company;
 - approving appointment of Shri Chandreshkumar Vishnubhai Kahar as an Independent director of the Company;
 - approving reappointment of Shri Jayesh Raichand Thakkar as a Managing Director w.e.f. 29th October, 2019 for five years.
 - approving Amendment of the Object Clause of the Company.
- (h) Informed us that 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.

- (i) Informed us that it had received a Letter No. RD (NWR)/Insp. 206(5)/63/2018-19/5746 dated 24th January, 2020 from the Regional Director, North West Region ('RD') directing the Company to provide records and information mentioned in his letter within 15 days and to keep its Books of Accounts, Statutory Records along with vouchers, supportive documents/papers ready for inspection pursuant to Section 206(5) of the Act.

In the regard, it was informed to us that the Company:

- (i) vide its reply letter dated 1st February, 2020 had acknowledged the receipt of the Letter on 30th January, 2020.
- (ii) vide its reply letter dated 17th February, 2020 had requested the Regional Director to grant extension of time for submission of records and information, up to the first week of March, 2020, as the Company's staff was occupied with the process of preparation of unaudited financial results and its subsequent submission with the stock exchange.
- (iii) vide its reply letter dated 27th February, 2020 had submitted point wise reply to the letter along with the required information and records.

Moreover, it has been informed to us that reply to the letter and the physical inspection from the Regional Director in the said matter is still awaited.

Date: 17th July, 2020
Place: Vadodara

For Devesh Pathak & Associates
Practising Company Secretaries

Devesh A. Pathak
(Sole proprietor)
Membership No. FCS 4559
CoP No. : 2306
UDIN: F004559B000465349

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

Form No. MGT 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2020

[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	Tundav Anjesar Road, 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 :	info@kavitindustries.in , kavitindustrieslimited@gmail.com
	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. Email: 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/MTD	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	Trading of Chemicals	51496	62.68
2	Gold & Diamond	32112	35.66

[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 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)
3	Kavit Trading Private Limited** Add :9 th Floor, Galav Chambers, Opp. Sardar Patel Statue, Sayajigunj, Vadodara 390020, Gujarat	U74100GJ2016PTC086091	Subsidiary	70.00%	2(87)
4	Kavit Infra Projects Private Limited Add: 9 th Floor, Galav Chambers, Station Road, Sayajigunj, Vadodara 390020, Gujarat.	U45209GJ2015PTC083192	Subsidiary	80.00%	2(87)

* Name changed to Kavit Hospitality Private Limited w.e.f. 04.08.2020

** Formerly Kavit Infoline Private Limited

Kavit Foods Private Limited subsidiary of the Company is "STRUCK OFF"

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i) Category/wise Share Holding**

	Category of Shareholders	No. of Shares held at the end of the year (i.e. as at 31/03/2019)				No. of Shares held at the end of the year (i.e. as at 31/03/2020)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	Promoters									
(1)	Indian									
a)	Individual/ HUF	3722196	7432	3729628	6.02	3816429	7432	3823861	6.17	0.15
b)	Central Government									
c)	State Government/s									
d)	Bodies Corporates	22821922	0	22821922	36.85	22821922	0	22821922	36.85	0.00
e)	Banks / FI									
f)	Any Other....									
	SUB/TOTAL (A)(1)	26544118	7432	26551550	42.87	26638351	7432	26645783	43.02	0.15
(2)	Foreign									
a)	NRIs / Individuals									
b)	Other – Individuals									
c)	Bodies Corporates									
d)	Banks / FI									
e)	Any Other....									
	SUB/TOTAL (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	TOTAL SHAREHOLDING OF PROMOTER (A) =(A)(1)+(A)(2)	26544118	7432	26551550	42.87	26638351	7432	26645783	43.02	0.15
B	Public Shareholding									
(1)	Institutions									
a)	Mutual Funds	0	46665	46665	0.07	0	46665	46665	0.07	0.00
b)	Banks / FI	140000	0	140000	0.23	140000	0	140000	0.23	0.00
c)	Central Government									
d)	State Government/s									
e)	Venture Capital Funds									

f)	Insurance Companies									
g)	FIs									
h)	Foreign Venture Capital Funds									
i)	Others (specify)									
	SUB/TOTAL (B)(1)	140000	46665	186665	0.30	140000	46665	186665	0.30	0.00
(2)	Central Government/ State Government/ President of India									
	SUB/TOTAL (B)(2)									
(3)	Non/Institutions									
a)	Bodies Corporates	26306595	32929	26339524	42.53	27669294	32929	27702223	44.73	2.20
i)	Indian									
ii)	Overseas									
b)	Individuals									
i)	Individual shareholders Holding nominal share capital upto Rs. 1 lakh	510625	2949732	3460357	5.59	528988	2887744	3416732	5.52	(0.07)
ii)	Individual shareholders Holding nominal share capital in excess of Rs 1 lakh	3299453	491327	3790780	6.12	3389276	491327	3880603	6.26	0.14
c)	Others (specify)									
	Clearing Members	1421034	0	1421034	2.29	8053	0	8053	0.01	(2.28)
	Non Resident Indians	4066	10271	14327	0.02	5270	10261	15531	0.03	0.01
	Trust	0	2194	2194	0.00	0	2194	2194	0.00	0.00
	NBFCs registered with RBI	94233	0	94233	0.15	0	0	0	0	(0.15)
	HUF	72669	0	72669	0.12	75549	0	75549	0.12	(0.00)
	SUB/TOTAL (B)(3)	31708675	3486443	35195118	56.83	31676430	3424455	35100885	56.67	(0.15)
	TOTAL PUBLIC SHAREHOLDING (B)= (B)(1)+(B)(2)+(B)(3)	31848675	3533108	35381783	57.13	31816430	3471120	35287550	56.98	(0.15)
C	Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL	58392793	3540540	61933333	100	58454781	3478552	61933333	100	

(A+B+C)										
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[Insertion / D](#)

ii) Shareholding of Promoters

Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2019			Shareholding at the End of the year - 2020			% change in shareholdin g during the year
		No of Shares Held	% of the Total of the Compan y	%of Shares Pledged /encumbere d to total shares	No of Shares Held	% of the Total of the Compan y	% of Shares Pledged /encumbere d to total shares	
1	RAGHUVIR INTERNATIONAL PRIVATE LIMITED	1287215 0	20.7839	0	1287215 0	20.7839	0	0
2	SHREE SAIBABAEXIM PRIVATE LIMITED	9949772	16.0653	0	9949772	16.0653	0	0
3	JAYESHBHAI RAICHAND BHAI THAKKAR	2444296	3.9467	0	2444296	3.9467	0	0
4	ARTIBEN JAYESHBHAI THAKKAR	452798	0.7311	0	452798	0.7311	0	0
5	JASWANT RAICHAND THAKKAR	134533	0.2172	0	134533	0.2172	0	0
6	SOMABHAI S THAKKAR	133705	0.2159	0	133705	0.2159	0	0
7	PATEL BHARATBHAI LIMJIBHAI	133333	0.2153	0	133333	0.2153	0	0
8	SANTOSH KAHAR .	127333	0.2056	0	127333	0.2056	0	0
9	MITUL JAGDISHBHAI THAKKAR	93332	0.1507	0	93332	0.1507	0	0
10	HANSABEN JASWANTBHAI THAKKAR	66666	0.1076	0	66666	0.1076	0	0
11	HASHMUKHBHAI DHANJIBHAI THAKKAR	66666	0.1076	0	66666	0.1076	0	0
12	THAKKAR KOKILA H	66666	0.1076	0	66666	0.1076	0	0
13	JAGDISHBHAI RAYCHANDBHAI THAKKAR	10300	0.0166	0	104533	0.1688	0	0.1522
	Total	2655155 0	42.8712	0	2664578 3	43.0233	0	0.1521

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

Sr. No.		Shareholding at the beginning of the year i.e. 01.04.2019		Cumulative Shareholding during the year i.e. 31.03.2020	
		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	26551550	42.87	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	0.15
3	At the End of the year	26551550	42.87	26645783	43.02

*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 & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	RAGHUVIR INTERNATIONAL PRIVATE LIMITED	12872150	20.7839	Nil	Nil	12872150	20.7839
	AT THE END OF THE YEAR					12872150	20.7839
2	SHREE SAIBABAEXIM PRIVATE LIMITED	9949772	16.0653	Nil	Nil	9949772	16.0653
	AT THE END OF THE YEAR					9949772	16.0653
3	JAYESHBHAI RAICHAND BHAI THAKKAR	2444296	3.9467	Nil	Nil	2444296	3.9467
	AT THE END OF THE YEAR					2444296	3.9467
4	ARTIBEN JAYESHBHAI THAKKAR	452798	0.7311	Nil	Nil	452798	0.7311
	AT THE END OF THE YEAR					452798	0.7311
5	JASWANT RAICHAND THAKKAR	137653	0.2223			137653	0.2223
	Transfer			05 Apr 2019	(1560)	136093	0.2197
	Transfer			31 Mar 2020	(6500)	129593	0.2092
	AT THE END OF THE YEAR					140773	0.2273
6	SOMABHAI S THAKKAR	135905	0.2194			135905	0.2194
	Transfer			05 Apr 2019	(1100)	134805	0.2177
	Transfer			24 May 2019	(1100)	133705	0.2159
	Transfer			31 Mar 2020	(666)	133039	0.2148
	AT THE END OF THE YEAR					133705	0.2159
7	PATEL BHARATBHAI LIMJIBHAI	133333	0.2153	Nil	Nil	133333	0.2153
	AT THE END OF THE YEAR					133333	0.2153

8	SANTOSH KAHAR .	127333	0.2056	Nil	Nil	127333	0.2056
	AT THE END OF THE YEAR					127333	0.2056
9	JAGDISHBHAI RAICHANDDAS THAKKAR	10300	0.0166			10300	0.0166
	Transfer			10 May 2019	94233	104533	0.1688
	AT THE END OF THE YEAR					104533	0.1688
10	MITUL JAGDISHBHAI THAKKAR	93332	0.1507			93332	0.1507
	Transfer			09 Aug 2019	(93066)	266	0.0004
	Transfer			16 Aug 2019	93066	93332	0.1507
	Transfer			31 Mar 2020	(266)	93066	0.1503
	AT THE END OF THE YEAR					93332	0.1507
11	THAKKAR KOKILA H	66666	0.1076	Nil	Nil	66666	0.1076
	AT THE END OF THE YEAR					66666	0.1076
12	HANSABEN JASWANTBHAI THAKKAR	66666	0.1076	Nil	Nil	66666	0.1076
	AT THE END OF THE YEAR					66666	0.1076
13	HASHMUKHBHAI DHANJIBHAI THAKKAR	66666	0.1076	Nil	Nil	66666	0.1076
	AT THE END OF THE YEAR					66666	0.1076

- 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 has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

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

Sr No	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	SILVERCADE TRADING	4391724	7.0911			4391724	7.0911
	Transfer			10 May 2019	500000	4891724	7.8984
	Transfer			07 Jun 2019	750000	5641724	9.1093
	Transfer			14 Jun 2019	500000	6141724	9.9167
	Transfer			30 Aug 2019	(19)	6141705	9.9166
	Transfer			04 Oct 2019	(120000)	6021705	9.7229
	Transfer			18 Oct 2019	(12656)	6009049	9.7024
	Transfer			25 Oct 2019	(2000)	6007049	9.6992
	Transfer			08 Nov 2019	(1200)	6005849	9.6973
	Transfer			29 Nov 2019	(10000)	5995849	9.6811
	Transfer			10 Jan 2020	4069450	10065299	16.2518
	Transfer			17 Jan 2020	219	10065518	16.2522
	Transfer			24 Jan 2020	(165)	10065353	16.2519
	Transfer			31 Jan 2020	(10500)	10054853	16.2350
	Transfer			07 Feb 2020	(3095)	10051758	16.2300
	Transfer			14 Feb 2020	87	10051845	16.2301
	Transfer			21 Feb 2020	7944	10059789	16.2429
	Transfer			28 Feb 2020	(425)	10059364	16.2422
	Transfer			06 Mar 2020	(5000)	10054364	16.2342
	Transfer			13 Mar 2020	17335	10071699	16.2622

	AT THE END OF THE YEAR					10071699	16.2622
2	INDIVAR TRADERS	4008522	6.4723			4008522	6.4723
	Transfer			10 May 2019	876224	4884746	7.8871
	Transfer			31 May 2019	500000	5384746	8.6944
	Transfer			07 Jun 2019	(26300)	5358446	8.6520
	Transfer			05 Jul 2019	(2600)	5355846	8.6478
	Transfer			02 Aug 2019	(2150)	5353696	8.6443
	Transfer			23 Aug 2019	(38017)	5315679	8.5829
	Transfer			30 Aug 2019	(200)	5315479	8.5826
	Transfer			06 Sep 2019	(26500)	5288979	8.5398
	Transfer			04 Oct 2019	(128550)	5160429	8.3322
	Transfer			18 Oct 2019	(2500)	5157929	8.3282
	Transfer			25 Oct 2019	(2000)	5155929	8.3250
	Transfer			08 Nov 2019	(2520)	5153409	8.3209
	Transfer			22 Nov 2019	(4000)	5149409	8.3144
	Transfer			27 Dec 2019	(5750)	5143659	8.3052
	Transfer			03 Jan 2020	(10000)	5133659	8.2890
	Transfer			10 Jan 2020	60161	5193820	8.3861
	Transfer			17 Jan 2020	7800	5201620	8.3987
	Transfer			24 Jan 2020	(15319)	5186301	8.3740
	Transfer			31 Jan 2020	(23030)	5163271	8.3368
	Transfer			07 Feb 2020	(10500)	5152771	8.3199
	Transfer			14 Feb 2020	12220	5164991	8.3396
	Transfer			13 Mar 2020	(7000)	5157991	8.3283
	Transfer			20 Mar 2020	(5011)	5152980	8.3202
	Transfer			27 Mar 2020	9500	5162480	8.3355
	Transfer			31 Mar 2020	35000	5197480	8.3921
	AT THE END OF THE YEAR					5197480	8.3921
3	APRATEEM TRADING	4597414	7.4232			4597414	7.4232
	Transfer			03 May 2019	(81300)	4516114	7.2919
	Transfer			10 May 2019	(8000)	4508114	7.2790
	Transfer			23 Aug 2019	(30200)	4477914	7.2302

	Transfer			30 Sep 2019	(25593)	4452321	7.1889
	Transfer			04 Oct 2019	30000	4482321	7.2373
	Transfer			29 Nov 2019	10000	4492321	7.2535
	Transfer			03 Jan 2020	(310)	4492011	7.2530
	Transfer			10 Jan 2020	(630)	4491381	7.2520
	Transfer			24 Jan 2020	(1000)	4490381	7.2503
	Transfer			31 Jan 2020	(1000)	4489381	7.2487
	Transfer			07 Feb 2020	(39075)	4450306	7.1856
	Transfer			14 Feb 2020	(10000)	4440306	7.1695
	AT THE END OF THE YEAR					4440306	7.1695
4	SAINT INFRASTRUCTURE	3061666	4.9435			3061666	4.9435
	Transfer			03 May 2019	(10800)	3050866	4.9260
	Transfer			29 Jun 2019	(65000)	2985866	4.8211
	Transfer			16 Aug 2019	1218828	4204694	6.7891
	Transfer			30 Aug 2019	(35000)	4169694	6.7326
	Transfer			30 Sep 2019	(21450)	4148244	6.6979
	Transfer			27 Dec 2019	5000	4153244	6.7060
	Transfer			10 Jan 2020	(500)	4152744	6.7052
	Transfer			07 Feb 2020	(35900)	4116844	6.6472
	AT THE END OF THE YEAR					4116844	6.6472
5	JASWANT RAICHAND THAKKAR	136093	0.2197		269066	136093	0.2197
	AT THE END OF THE YEAR					405159	0.6542
6	OFFERLINK INFRAPROJECTS PRIVATE LIMITED	132	0.0002			132	0.0002
	Transfer			21 Jun 2019	75000	75132	0.1213
	Transfer			29 Jun 2019	855666	930798	1.5029
	Transfer			19 Jul 2019	(1300)	929498	1.5008
	Transfer			09 Aug 2019	(929366)	132	0.0002
	Transfer			16 Aug 2019	929136	929268	1.5004
	Transfer			23 Aug 2019	(23000)	906268	1.4633
	Transfer			30 Sep 2019	26300	932568	1.5058
	Transfer			04 Oct 2019	(36150)	896418	1.4474
	Transfer			25 Oct 2019	(2110)	894308	1.4440

	AT THE END OF THE YEAR					894308	1.4440
7	ORANGE MIST PRODUCTIONS PRIVATE LIMITED	0	0.0000			0	0.0000
	Transfer			10 May 2019	1063110	1063110	1.7165
	Transfer			29 Jun 2019	(135000)	928110	1.4986
	Transfer			05 Jul 2019	(80000)	848110	1.3694
	Transfer			12 Jul 2019	(30000)	818110	1.3210
	Transfer			19 Jul 2019	(5000)	813110	1.3129
	Transfer			26 Jul 2019	(17600)	795510	1.2845
	Transfer			16 Aug 2019	(2210)	793300	1.2809
	Transfer			25 Oct 2019	(2890)	790410	1.2762
	Transfer			08 Nov 2019	65270	855680	1.3816
	Transfer			22 Nov 2019	8852	864532	1.3959
	Transfer			06 Dec 2019	18244	882776	1.4254
	Transfer			27 Dec 2019	460	883236	1.4261
	Transfer			31 Dec 2019	290	883526	1.4266
	Transfer			03 Jan 2020	(750)	882776	1.4254
	Transfer			17 Jan 2020	2400	885176	1.4292
	Transfer			31 Jan 2020	4500	889676	1.4365
	Transfer			07 Feb 2020	10023	899699	1.4527
	Transfer			14 Feb 2020	(1754)	897945	1.4499
	Transfer			28 Feb 2020	(11300)	886645	1.4316
	Transfer			13 Mar 2020	(3869)	882776	1.4254
	Transfer			27 Mar 2020	3000	885776	1.4302
	AT THE END OF THE YEAR					885776	1.4302
8	SSJ FINANCE & SECURITIES PVT. LTD	1223628	1.9757			1223628	1.9757
	Transfer			05 Apr 2019	22	1223650	1.9758
	Transfer			12 Apr 2019	(22)	1223628	1.9757
	Transfer			03 May 2019	92100	1315728	2.1244
	Transfer			10 May 2019	(92100)	1223628	1.9757
	Transfer			17 May 2019	2100	1225728	1.9791
	Transfer			29 Jun 2019	65000	1290728	2.0841
	Transfer			05 Jul 2019	2000	1292728	2.0873

	Transfer			12 Jul 2019	200	1292928	2.0876
	Transfer			19 Jul 2019	1300	1294228	2.0897
	Transfer			26 Jul 2019	(5600)	1288628	2.0807
	Transfer			16 Aug 2019	(1221188)	67440	0.1089
	Transfer			23 Aug 2019	62100	129540	0.2092
	Transfer			30 Aug 2019	33060	162600	0.2625
	Transfer			06 Sep 2019	26500	189100	0.3053
	Transfer			20 Sep 2019	500	189600	0.3061
	Transfer			27 Sep 2019	2000	191600	0.3094
	Transfer			30 Sep 2019	51450	243050	0.3924
	Transfer			04 Oct 2019	219703	462753	0.7472
	Transfer			11 Oct 2019	(3653)	459100	0.7413
	Transfer			18 Oct 2019	2500	461600	0.7453
	Transfer			25 Oct 2019	(2500)	459100	0.7413
	Transfer			15 Nov 2019	15000	474100	0.7655
	Transfer			22 Nov 2019	(11000)	463100	0.7477
	Transfer			29 Nov 2019	15459	478559	0.7727
	Transfer			06 Dec 2019	(19459)	459100	0.7413
	Transfer			13 Dec 2019	510	459610	0.7421
	Transfer			20 Dec 2019	(510)	459100	0.7413
	Transfer			03 Jan 2020	6917	466017	0.7524
	Transfer			10 Jan 2020	(3804)	462213	0.7463
	Transfer			17 Jan 2020	1053	463266	0.7480
	Transfer			24 Jan 2020	16059	479325	0.7739
	Transfer			31 Jan 2020	(8796)	470529	0.7597
	Transfer			07 Feb 2020	68091	538620	0.8697
	Transfer			14 Feb 2020	(79520)	459100	0.7413
	Transfer			28 Feb 2020	(275)	458825	0.7408
	Transfer			06 Mar 2020	(225)	458600	0.7405
	Transfer			31 Mar 2020	(35000)	423600	0.6840
	AT THE END OF THE YEAR					423600	0.6840
9	VISHAL SHAH	428273	0.6915			428273	0.6915

	Transfer			05 Apr 2019	10250	438523	0.7081
	Transfer			12 Apr 2019	(568)	437955	0.7071
	Transfer			26 Apr 2019	9456	447411	0.7224
	Transfer			03 May 2019	(8800)	438611	0.7082
	Transfer			10 May 2019	18711	457322	0.7384
	Transfer			17 May 2019	(16800)	440522	0.7113
	Transfer			24 May 2019	(100)	440422	0.7111
	Transfer			31 May 2019	14650	455072	0.7348
	Transfer			07 Jun 2019	(4204)	450868	0.7280
	Transfer			14 Jun 2019	(14700)	436168	0.7043
	Transfer			21 Jun 2019	17622	453790	0.7327
	Transfer			29 Jun 2019	(31002)	422788	0.6827
	Transfer			12 Jul 2019	3200	425988	0.6878
	Transfer			19 Jul 2019	1911	427899	0.6909
	Transfer			26 Jul 2019	(5000)	422899	0.6828
	Transfer			02 Aug 2019	470	423369	0.6836
	Transfer			09 Aug 2019	(5390)	417979	0.6749
	Transfer			16 Aug 2019	(6250)	411729	0.6648
	Transfer			23 Aug 2019	54971	466700	0.7536
	Transfer			30 Aug 2019	15400	482100	0.7784
	Transfer			13 Sep 2019	(29250)	452850	0.7312
	Transfer			20 Sep 2019	11100	463950	0.7491
	Transfer			27 Sep 2019	10000	473950	0.7653
	Transfer			04 Oct 2019	300	474250	0.7657
	Transfer			11 Oct 2019	(760)	473490	0.7645
	Transfer			25 Oct 2019	1900	475390	0.7676
	Transfer			01 Nov 2019	4000	479390	0.7740
	Transfer			08 Nov 2019	(15000)	464390	0.7498
	Transfer			15 Nov 2019	4730	469120	0.7575
	Transfer			22 Nov 2019	2510	471630	0.7615
	Transfer			29 Nov 2019	(359)	471271	0.7609
	Transfer			06 Dec 2019	(2780)	468491	0.7564

	Transfer			13 Dec 2019	2600	471091	0.7606
	Transfer			27 Dec 2019	(1200)	469891	0.7587
	Transfer			03 Jan 2020	279	470170	0.7592
	Transfer			10 Jan 2020	(3479)	466691	0.7535
	Transfer			24 Jan 2020	(2301)	464390	0.7498
	Transfer			31 Jan 2020	386	464776	0.7504
	Transfer			07 Feb 2020	1305	466081	0.7526
	Transfer			14 Feb 2020	(84600)	381481	0.6160
	Transfer			28 Feb 2020	(378093)	3388	0.0055
	Transfer			06 Mar 2020	381930	385318	0.6221
	Transfer			27 Mar 2020	(1)	385317	0.6221
	AT THE END OF THE YEAR					385317	0.6221
10	SUNPREET SINGH	359700	0.5808	Nil	Nil	359700	0.5808
	AT THE END OF THE YEAR					359700	0.5808
11	JNM REALTY AND MARKETING LTD	852435	1.3764			852435	1.3764
	Transfer			05 Apr 2019	5000	857435	1.3844
	Transfer			19 Apr 2019	6300	863735	1.3946
	Transfer			26 Apr 2019	(96000)	767735	1.2396
	Transfer			03 May 2019	500	768235	1.2404
	Transfer			10 May 2019	1690	769925	1.2432
	Transfer			17 May 2019	13730	783655	1.2653
	Transfer			24 May 2019	335	783990	1.2659
	Transfer			31 May 2019	5375	789365	1.2745
	Transfer			07 Jun 2019	(144153)	645212	1.0418
	Transfer			14 Jun 2019	(180527)	464685	0.7503
	Transfer			21 Jun 2019	1100	465785	0.7521
	Transfer			29 Jun 2019	(53506)	412279	0.6657
	Transfer			05 Jul 2019	(134)	412145	0.6655
	Transfer			12 Jul 2019	3050	415195	0.6704
	Transfer			19 Jul 2019	(150)	415045	0.6701
	Transfer			26 Jul 2019	(198320)	216725	0.3499
	Transfer			02 Aug 2019	(24700)	192025	0.3101

	Transfer			16 Aug 2019	6229	198254	0.3201
	Transfer			23 Aug 2019	22600	220854	0.3566
	Transfer			30 Aug 2019	7090	227944	0.3680
	Transfer			06 Sep 2019	(26606)	201338	0.3251
	Transfer			20 Sep 2019	(29900)	171438	0.2768
	Transfer			11 Oct 2019	(1000)	170438	0.2752
	Transfer			18 Oct 2019	3585	174023	0.2810
	Transfer			25 Oct 2019	2430	176453	0.2849
	Transfer			01 Nov 2019	2950	179403	0.2897
	Transfer			08 Nov 2019	(35370)	144033	0.2326
	Transfer			15 Nov 2019	2915	146948	0.2373
	Transfer			29 Nov 2019	1350	148298	0.2394
	Transfer			06 Dec 2019	700	148998	0.2406
	Transfer			13 Dec 2019	320	149318	0.2411
	Transfer			20 Dec 2019	(400)	148918	0.2404
	Transfer			27 Dec 2019	440	149358	0.2412
	Transfer			31 Dec 2019	(250)	149108	0.2408
	Transfer			03 Jan 2020	25	149133	0.2408
	Transfer			10 Jan 2020	337	149470	0.2413
	Transfer			17 Jan 2020	(15415)	134055	0.2165
	Transfer			24 Jan 2020	(182)	133873	0.2162
	Transfer			31 Jan 2020	(26000)	107873	0.1742
	Transfer			07 Feb 2020	(10948)	96925	0.1565
	Transfer			14 Feb 2020	57948	154873	0.2501
	Transfer			21 Feb 2020	28515	183388	0.2961
	Transfer			28 Feb 2020	29401	212789	0.3436
	Transfer			06 Mar 2020	14930	227719	0.3677
	Transfer			13 Mar 2020	(20000)	207719	0.3354
	Transfer			20 Mar 2020	12300	220019	0.3553
	Transfer			27 Mar 2020	47300	267319	0.4316
	AT THE END OF THE YEAR					267319	0.4316
12	KRYSTALKLEAR PROPERTIES PRIVATE LIMITED	5120000	8.2670			5120000	8.2670

	Transfer			10 May 2019	(2439334)	2680666	4.3283
	Transfer			31 May 2019	(500000)	2180666	3.5210
	Transfer			07 Jun 2019	(750000)	1430666	2.3100
	Transfer			14 Jun 2019	(500000)	930666	1.5027
	Transfer			21 Jun 2019	(75000)	855666	1.3816
	Transfer			28 Jun 2019	(855666)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
13	GILL ENTERTAINMENT PRIVATE LIMITED	4133228	6.6737			4133228	6.6737
	Transfer			10 Jan 2020	(4133228)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000

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 has been clubbed based on PAN.

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

[Insertion / G](#)

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. 01/04/2019 and 31/03/2020 respectively)		Date	(+)Increase / (/)Decrease	Reason	Cumulative Shareholding during the year	
		No. of shares at 01/04/2019 and 31/03/2020	% of total shares of the company				No. of shares	% of total shares of the company
NIL								

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	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
Change in Indebtedness during the financial year				
Addition	0.00	50.27	0.00	50.27
Reduction	0.00	0.00	0.00	0.00
Net Change	0.00	50.27	0.00	50.27
Indebtedness at the end of the financial year				
i) Principal Amount	0.00	461.84	0.00	461.84
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	461.84	0.00	461.84

[Insertion / I](#)

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/WTM/ 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	0.00	0.00
(c)	Profits in lieu of salary undersection17(3) Income/ tax Act,1961	0.00	0.00
2	Stock Option	0.00	0.00
3	Sweat Equity	0.00	0.00
4	Commission	0.00	0.00
	▪ As % of profit	0.00	0.00
	▪ Others, specify...	0.00	0.00
5	Others, please specify	0.00	0.00
	Total (A)	0.00	0.00
	Ceiling as per the Act	0.00	0.00
	Total A	12,00,000	12,00,000

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		

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD: 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 the Income/tax Act, 1961				
(b)	Value of perquisites u/s 17(2) Income/tax Act, 1961				
(c)	Profits in lieu of salary under section 17(3) Income/tax Act, 1961				
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 of Directors
Kavit Industries Limited**

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

**Date: 03.11.2020
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 Hospitality Private Limited*	Kavit Trading 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	10,31,799	71,003	(5,65,264)	Nil
7.	Total assets	1,35,70,271	4,54,945	8,87,528	1,00,000
8.	Total Liabilities	1,20,38,469	2,83,942	13,52,792	Nil
9.	Investments	Nil	Nil	Nil	Nil
10.	Turnover	2,65,90,011	Nil	9,34,780	Nil
11.	Profit before taxation	1,04,520	95,950	98,749	Nil
12.	Provision for taxation	(48,695)	24,947	Nil	Nil
13.	Profit after taxation	55,825	71,003	98,749	Nil
14.	Proposed Dividend	Nil	Nil	Nil	Nil
	% of shareholding	80%	60%	70%	80%

*Formerly Kavit Swachh Organic Food Private Limited

**Formerly Kavit Infoline Private Limited

By Order of the Board of Directors
Kavit Industries Limited

Date: 16.07.2020
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
Kavit Industries Limited**

**Date: 16.07.2020
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, 2020.

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 Limited 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 Limited 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 Director of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The composition of the Board of Directors is given below:-

Sr. No.	Name	Category	Sub Category	No. of Equity shares held in the Company
1	JAYESH RAICHANDBHAI THAKKAR	Promoter	Managing Director	24,44,296
2	KALYANI RAJSHIRKE (Upto 19.12.2019)	Non – Promoter	Independent Woman Director	NIL
3	SALIL SHASHIKANT PATEL		Independent Director	NIL
4	KARTIK BAKULCHANDRA MISTRY		Independent Director	NIL
5	NARESH ARVIND PATEL		Director	NIL
6	HASMUKH DHANJI THAKKAR		Director	NIL
7	CHANDRESH KUMAR VISHNU KAHAR		Director	NIL
8	PAYAL GAJJAR (w.e.f. 24.03.2020)		Independent Woman Director	NIL

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: 29.05.2019, 14.06.2019, 14.08.2019, 13.11.2019, 06.12.2019, 13.02.2020 and 24.03.2020

Attendance of each Director at Board Meetings held during 2019-20 and last Annual General Meeting:

Sr. No.	Name	No of Board Meetings attended during 2019-20	Whether present at the last AGM dated 28.09.2019
1	JAYESH RAICHANDBHAI THAKKAR	7	Yes
2	KALYANI CHANDRAKANT RAJESHIRKE*	5	Yes
3	SALIL SHASHIKANT PATEL	7	Yes
4	KARTIK BAKULCHANDRA MISTRY	7	Yes
5	NARESH ARVIND PATEL	7	Yes
6	HASMUKH DHANJIBHAI THAKKAR	7	Yes
7	CHANDRESHKUMAR VISHNUBHAI KAHAR	7	Yes
8	PAYAL GAJJAR (w.e.f. 24.03.2020)	0	No

* Resigned as a Director w.e.f. 19.12.2019

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:

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

c. 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.

d. 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/>

e. 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;

f. 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 LIMITED** Code of Conduct for the financial year ended 31.03.2020.

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 Audit Committee meetings attended during 2019-20
Salil Patel	Chairman	Independent Director	4
Kartik Mistry	Member	Independent Director	4
Chandresh Kahar	Member	Independent Director	4

During the year and as per the requirement of the Act, Four Audit Committee Meetings were held on 29.05.2019, 14.08.2019, 13.11.2019 and 13.02.2020. 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 Hospitality Private Limited (Formerly Kavit Swachh Organic Food Private Limited), Kavit Trading Private Limited (formerly Kavit Infoline Private Limited), Kavit Infra Projects Private Limited 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 "STRUCK OFF" on 07.03.2020.

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 and sitting fees. 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 organization, 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 2019-20
Salil Patel	Chairman	Independent Director	4
Kartik Mistry	Member	Independent Director	4
Chandresh Kahar	Member	Independent Director	4

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 2019-20 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 2020.
- 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 Investors/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.

Name	Designation	Category of director	No. of Audit Committee meetings attended during 2019-20
Salil Patel	Chairman	Independent Director	4
Kartik Mistry	Member	Independent Director	4
Chandresh Kahar	Member	Independent Director	4

4. GENERAL BODY MEETINGS:

The Annual General Meetings of the Company were held at Tundav Anjesar Road, Village - Tundav, 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:-

	2018-19	2017-18	2016-17
Date	28 th September 2019	29 th September 2018	29 th September 2017
Time	9.00 AM	9.00 AM	10.30 AM
No. of Special Resolutions Passed	9	2	Nil

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.

Market price data of the Company's shares traded on BSE Limited (BSE) during the financial year 2019-20:

(Amount in Rs.)

Month – Year	High Price	Low Price
April - 2019	47.70	41.10
May – 2019	52.30	40.55
June – 2019	48.95	35.15
July – 2019	52.00	35.10
August – 2019	54.40	41.15
September – 2019	63.25	49.35
October – 2019	75.70	60.35
November – 2019	90.70	73.00
December – 2019	101.35	82.20
January – 2020	95.50	78.00
February – 2020	119.70	89.20
March – 2020	128.75	78.70

6. GENERAL SHAREHOLDER INFORMATION:

a. Annual General Meeting:

Date: 30th November, 2020

Time: 11:00 A.M

Venue: Tundav Anjesar Road, Vill. - Tundav, Taluka - Savli, Vadodara - 391775, Gujarat.

b. Financial Calendar for 2019-20 to approve quarterly / annual financial results:

Unaudited results for the quarter ending on 30th June 2019	14.08.2019
Unaudited results for the quarter ending on 30th September 2019	13.11.2019
Unaudited results for the quarter ending on 31st December 2019	13.02.2020
Audited results for the quarter ending on 31st March 2020	16.07.2020

c. Book Closure Dates:

24.11.2020 to 30.11.2020
(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:** Tundav Anjesar Road, Village - Tundav,
Taluka - Savli, Vadodara - 391775, Gujarat.

Date: 16.07.2020
Place: Vadodara

Sd/-
Jayesh R. Thakkar
Chairman
DIN - 01631093

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)
NIL						

Place: Vadodara
Date: 16.07.2020

By Order of the Board of Directors
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 2019-20 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, 16th July, 2020**

MD CERTIFICATION

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

I have reviewed financial statements and the Cash Flow statement for the year ended 31st March, 2020 and that to the best of our knowledge and belief:

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 year, 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, we have not come across any reportable deficiencies in the design of operation of such internal controls.
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
 - 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: 03.11.2020

Place: Vadodara

**Sd/-
Jayesh R. Thakkar
Managing Director
DIN - 0631093**

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, 2020.

**Date: 03.11.2020
Place: Vadodara**

For, Kavit Industries Limited

**Sd/-
Jayesh R. Thakkar
Chairman
DIN - 01631093**

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 2020, 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, 2020, and profit/loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the 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 on the Standalone Financial Statements.

Emphasis of Matters

1. We draw attention that the company has not complied with the provision of the Section 185 of the Companies Act, 2013, pertaining to the loans and advances granted to the Subsidiaries (Refer Note Number 43).
2. During the year the Company has written off balances of certain Trade Receivable and Payable, the net effect of the same is Rs. 395.41 Lakhs shown under the Other Income. Had the same was not written off the profit of the Company would have been lower by Rs. 395.41 Lakhs. (Refer Note Number 27 and 45).
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. The stamp duty and late filing fees would be amounting Rs. 30 Lakhs which the Company has not provided for the same in the Books of Account. (Refer Note Number 16).

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.

Key Audit Matters	Response to Key Audit Matters
<p>1. Revenue Recognitions.</p> <p>Revenue for the company consists primarily of sale of products.</p> <p>Revenue from sale of Product is recognized when the control over the products have been transferred to the customer based on the terms and conditions of the sales contracts entered into with the customers across geographies.</p> <p>We have identified recognition of revenue as a key audit matter as revenue is a key performance indicator and there is a risk of revenue being fraudulently overstated arising from pressure to achieve performance targets as well as meeting external expectations.</p>	<p>Our procedures in respect of recognition of revenue included the following</p> <p>a) Assessing the appropriateness of the revenue recognition accounting policies by comparing with applicable accounting standards.</p> <p>b) Testing the design, implementation and operating effectiveness of the Company's general IT controls and manual controls over the Company's systems which govern recording of revenue in the general ledger accounting system.</p> <p>c) Performing substantive testing (including year-end cutoff testing) by selecting samples of revenue transactions recorded during the year (and before and after the financial year) and verifying the underlying documents, which includes sales invoices/contracts and shipping documents.</p> <p>d) Assessing manual journals posted to revenue to identify unusual items other than already identified.</p> <p>e) Evaluating the adequacy of the standalone financial statement disclosures, including disclosures of key assumptions, judgments and sensitivities.</p>
<p>2. Impairment of Trade Receivables:</p> <p>Trade Receivables, net of impairment allowance, amounts to Rs. 153.16 Crores as on 31st March 2020, which constitutes about 70% of the total Assets of the Company.</p> <p>Out of the total Trade Receivables around 54% of total Trade Receivable are classified as having high risk of credit impairment.</p> <p>Due to significance of Trade Receivables and the complexity involved in the ECL calculation, this was considered as key audit matter.</p> <p>Management's judgment is involved in identifying impairment in the value of the receivable which has an adverse impact on the profits of the Company.</p>	<p>We have performed the following processes in relation to Management's Judgment in identification of impairment of value of Receivables and adequacy of impairment provision:</p> <p>We have referred to the defined policy in place stipulating the methodology of making impairment provision in respect of overdue Receivable amounts.</p> <p>We have also reviewed age-wise analysis in respect of Receivables and ensured that the provisioning is made according to such policy. The above referred provisioning policy stipulates different provisioning norms for Receivables with confirmations and without confirmations</p> <p>We have sought information and explanations from the department Heads regarding the status of receivable for the purpose of ensuring adequate impairment provisions.</p>

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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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
UDIN: 20132623AAAABD5567

Date: 16/07/2020
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, 2020 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, 2020, 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: 16/07/2020
Place: Vadodara

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. In respect of Fixed Assets,
 - a. The company has maintained proper records showing full particulars including quantitative details and situation of its Fixed Assets.
 - b. According to the information and explanations given to us, though physical verification of fixed assets has not been carried out during the year, the Company has policy to verify its fixed assets in a phased manner so as to cover the verification of the entire fixed asset. According to information and explanation given to us, no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. In respect of Inventories,
 - a. According to the information and explanations given to us, the inventories have been physically verified at reasonable intervals by the management and no material discrepancies were noticed on such verification.
3. According to the information and explanations given to us, the Company has granted interest free advances to its associate concerns covered under Section 189 of the Companies Act 2013 ('the Act').

As regards interest free advances to the associate concerns and others, the terms and conditions of the loans, including repayment thereof have not been stipulated. Accordingly, we are unable to comment on clause 3(iii)(b) of the Order regarding regularity of the receipt of principal amount and interest and Clause 3(iii)(c) of the Order regarding steps for recovery of overdue amount of more than rupees one lakh.

4. In our opinion and according to the information and explanation given to us, the Company has not complied with the provisions of Section 185 and moreover *made an investment and given loan more than sixty percent of its paid-up capital, free reserve and securities premium or one hundred percent of its free reserves and securities premium account whichever is more*
5. The Company has not accepted any deposits from the public in accordance with the provisions of Sections 73 to 76 of the Act and the rules framed there under.
6. The Central Government has not prescribed for maintenance of Cost Records under Section 148 (1) of the Act for any of the product/service of the Company.
7. According to information and explanation given to us, in respect of statutory dues,
 - a. The Company has generally been irregular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities.
 - b. According to the information and explanations given to us, there are no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues in arrears as at 31st March 2020 for a period of more than six months from the date they became payable.
 - c. Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value added Tax which have not been deposited as at 31st March 2020 on account of dispute are given below:

Nature of the Statute	Nature of dues	Forum where dispute pending	Period to which the amount relates	Amount (₹ in Lakhs)
Income Tax Act, 1961	Income Tax	ITAT*	2014-2015	2183.83/-

*The Company has got the order from CIT Appeal in favour of the Company during the year but the department has made an appeal to appellate authority against the Company due to this the demand has been shown as disputed and the same is being disclosed as contingent liabilities.

8. Based on our examination of documents and records and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowing to a financial institution or a bank. The Company does not have any loans or borrowings from government or has not issued any debentures.
9. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that during the year, the Company has not raised any money by way of initial public offer or further public offer.
10. According to the Information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the Information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandate by the provisions of section 197 read with schedule V to the Act.
12. The Company is not a Nidhi Company and hence clause 3(xii) of the Order is not applicable.
13. According to the Information and explanation given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act wherever applicable and details of such transactions have been disclosed in the financial statement as required by the applicable accounting standard.
14. According to the information and explanations given to us and overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with the directors. Accordingly, paragraph 3 (xv) of the Order is not applicable.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Partner (Manojkumar Sahu)
Membership No: 132623

Date: 16/07/2020
Place: Vadodara

(₹ in Lacs)

Particulars	Notes	As at March 31,2020	As at March 31,2019
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	3	892.72	860.74
(b) Capital Work-in-Progress		-	-
(c) Intangible Assets	3	0.80	1.58
(d) Investments in Subsidiary	4	6.10	6.80
(e) Financial Assets			
(i) Investments	5	0.52	0.52
(ii) Loans	6	2,508.06	2,518.81
(iii) Trade Receivables	7	8,514.93	9,446.33
(iv) Other Financial Assets	8	695.77	740.16
(f) Other Non Current Assets	9	101.15	109.60
(g) Deferred Tax Assets (Net)	10	4.66	1.70
Current Assets			
(a) Inventories	11	56.46	52.73
(b) Financial Assets			
(i) Trade Receivables	12	6,801.45	5,474.36
(ii) Cash and Cash Equivalents	13	22.37	33.80
(iii) Loans	14	2,661.52	2,923.65
(c) Other Current Assets	15	6.94	-
Total Assets		22,273.45	22,170.79
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	16	6,193.33	6,193.33
(b) Other Equity	17	1,635.94	1,285.85
Total equity attributable to equity holders of the Company		7,829.28	7,479.18
LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	407.29	399.62
(ii) Trade Payable	19	8,347.30	9,594.73
(ii) Other Financial Liabilities	20	120.77	131.24
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	54.55	79.76
(ii) Trade Payables	22	4,609.80	4,346.44
(iii) Other Financial Liabilities	23	733.10	40.88
(b) Other Current Liabilities	24	2.95	2.77
(c) Provisions	25	168.43	96.18
Total Liabilities		14,444.18	14,691.61
Total Equity and Liabilities		22,273.45	22,170.79
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

Firm Registration No: 130001W

For and on behalf of the Board of Directors of

Kavit Industries Limited

Manojkumar Sahu

Partner

Membership No. 132623

UDIN: 20132623AAAABD5567

Vadodara, 16th July, 2020

Jayesh Thakkar

Managing director

DIN - 01631093

Kartik Mistry

Director

DIN - 07791008

Bhavesh Desai

CFO

Mikil Gohil

Company Secretary

Kavit Industries Limited
Standalone Statement of Profit and Loss for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Notes	For the year ended 31st March 2020	For the year ended 31st March 2019
Income			
Revenue from Operation	26	9,741.98	9,197.95
Other Income	27	420.86	289.36
Total Revenue		10,162.84	9,487.31
Expenses			
Cost of Material Consumed	28	-	-
Purchases of Stock-in-Trade	29	9,566.49	9,142.93
Changes in Inventories of Finished Goods, WIP	30	(3.73)	(2.17)
Employee Benefits Expense	31	15.56	21.89
Finance Costs	32	20.48	1.41
Other Expenses	33	42.59	70.27
Depreciation and Amortization Expense		30.94	31.72
Total Expenses		9,672.32	9,266.04
Profit Before Tax		490.52	221.27
Tax Expenses			
Current Tax		146.44	71.57
Deferred Tax		(3.73)	(4.57)
Profit (Loss) for the period from continuing operations		347.80	154.27
Profit/(loss) from discontinued operations		-	-
Tax expense of discontinued operations		-	-
Profit/(loss) from Discontinued operations (after tax)		-	-
Profit for the Year		347.80	154.27
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement of Defined benefit plans		(3.05)	(2.42)
- Equity instruments through other comprehensive income		-	(0.03)
(ii) Income tax relating to items that will not be reclassified to profit or loss			
- Remeasurement of Defined benefit plans		0.76	0.61
- Equity instruments through other comprehensive income		-	-
Total Other Comprehensive Income		(2.29)	(1.84)
Total Comprehensive Income for the Period		350.09	156.11
Earnings per Share:			
(1) Basic		0.56	0.25
(2) Diluted		0.56	0.25
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

Firm Registration No. 130001W

Manojkumar Sahu

Partner

Membership No. 132623

Vadodara, 16th July, 2020

Jayesh Thakkar
Managing director
DIN - 01631093

Bhavesh Desai
CFO

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

Kartik Mistry
Director
DIN - 07791008

Mikil Gohil
Company Secretary

Kavit Industries Limited
Standalone Cash Flow Statement for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
A. Cash Flow from Operating Activities :		
Net Profit before Tax	490.52	221.27
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and Amortisation Expense	30.94	31.72
Other non-operating income (Incl Written - off)	(395.41)	(263.06)
Bad Debts	-	35.01
Interest Income	(2.33)	(5.89)
Interest Expense	19.64	1.06
Preliminary Expenses Written off	-	1.39
Dividend Income	-	(0.01)
Operating Profit before Working Capital changes	143.35	21.49
Movement in Working Capital :		
(Increase)/Decrease in Inventories	(3.73)	(2.17)
(Increase)/Decrease in Trade Receivables	(1,327.22)	(2,111.65)
(Increase)/Decrease in Loans	262.14	659.88
(Increase)/Decrease in Other Assets	(6.94)	0.16
Increase/(Decrease) in Trade Payable	263.37	1,293.35
Increase/(Decrease) in Short Term Borrowings	(25.21)	23.18
Increase/(Decrease) in Other Current Liability	692.41	29.47
Increase/(Decrease) in Provisions	(0.32)	-
Cash Generated from Operation	(2.16)	(86.30)
Direct Tax Paid (Net of Refunds)	72.57	(42.79)
Net Cash inflow from/ (outflow) from Operating activities (A)	70.41	(129.09)
B. Cash Flow from Investing Activities :		
Purchase of fixed assets	(62.15)	(3.92)
Sales of Investments	0.70	-
Interest received	2.33	5.89
Dividend received	-	0.01
Net Cash inflow from/ (outflow) from Investing Activities (B)	(59.11)	1.98
C. Cash Flow from Financing Activities :		
Proceeds / (Repayment) from Long Term Borrowings (Net)	7.67	20.56
Repayment / (Proceeds) received from Loans and Advances (Net)	(10.75)	124.02
Interest paid	(19.64)	(1.06)
Proceeds of Share Application money/Share Capital	-	-
Net Cash inflow from/ (outflow) from Financing activities (C)	(22.73)	143.51
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(11.43)	16.41
Cash and Cash Equivalents at the beginning of the year	33.80	17.38
Cash and Cash Equivalents at the end of the year	22.37	33.79
Components of Cash and cash equivalents		
Cash on hand	16.71	28.29
With Banks		
- on Current Account	5.66	5.51
Cash and Cash equivalents	22.37	33.80

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
Firm Registration No: 130001W

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

Manojkumar Sahu
Partner
Membership No. 132623
Vadodara, 16th July, 2020

Jayesh Thakkar
Managing director
DIN - 01631093

Kartik Mistry
Director
DIN - 07791008

Bhavesh Desai
CFO

Mikil Gohil
Company Secretary

Kavit Industries Limited
Standalone Statement of Changes In Equity For The Year Ended 31st March, 2020

a. EQUITY SHARE CAPITAL:

₹ in Lakhs

	Notes	Amount
Balance as at 1 April, 2018	14	619.33
Changes in equity share capital during the year		-
Balance as at 31 March, 2019	14	619.33
Changes in equity share capital during the year		-
Balance as at 31 March, 2020	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, 2018	451.67	704.63	23.69	(50.21)	1,129.78
Profit for the year	-	-	154.27	-	154.27
Other Comprehensive income for the year	-	-	1.82	-	1.82
Addition during the year	-	-	-	(0.03)	(0.03)
Total comprehensive income for the year	-	-	156.09	(0.03)	1,285.85
Balance as at March 31, 2019	451.67	704.63	179.78	(50.23)	1,285.85
Balance as at April 01, 2019	451.67	704.63	179.78	(50.23)	1,285.85
Profit for the year	-	-	347.80	-	347.80
Addition during the year	-	-	-	-	-
Other Comprehensive income for the year	-	-	2.29	-	2.29
Total comprehensive income for the year	-	-	350.09	-	350.09
Balance as at March 31, 2020	451.67	704.63	529.88	(50.23)	1,635.94

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
Firm Registration No: 130001W

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

Manojkumar Sahu
Partner
Membership No. 132623
Vadodara, 16th July, 2020

Jayesh Thakkar
Managing director
DIN - 01631093

Kartik Mistry
Director
DIN - 07791008

Bhavesh Desai
CFO

Mikil Gohil
Company Secretary

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 01/04/2019	717.57	103.20	269.33	3.34	7.44	4.93	6.84	4.26	5.90	1.36	916.98	2.44	2.38	919.36
Additions	-	10.05	27.00	-	24.79	-	-	-	0.30	-	62.15	-	-	62.15
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross carrying amount As at 31/03/2020	717.57	113.26	296.33	3.34	32.24	4.93	6.84	4.26	6.21	1.36	1,186.34	2.44	2.44	1,188.78
Accumulated Depreciation as at 01/04/2019	-	59.52	176.38	3.06	6.97	4.39	6.50	4.03	2.28	0.32	25.30	0.87	0.03	25.33
Charge for the period	-	3.29	25.64	-	0.32	0.36	0.23	-	0.24	0.09	30.17	0.77	0.77	30.94
Sales/transferred/written off	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation as at 31/03/2020	-	62.81	202.01	3.06	7.29	4.76	6.73	4.03	2.52	0.41	55.47	1.64	0.80	56.27
Net carrying amount:														
Carrying amount as at 31/03/2020	717.57	50.44	94.32	0.28	24.95	0.17	0.11	0.23	3.68	0.96	892.72	0.80	0.80	893.52
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

For Kavit Industries Limited

Director

4 Investment in Subsidiary

₹ in Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Investment in Equity Instruments (Unquoted)		
Carried at cost (Fully Paid)		
Kavit Edible Oil Limited	4.00	4.00
40,000 (31st March 2018: 40,000) equity shares of ₹ 10 each)		
Kavit Foods Private Limited	-	0.70
7,000 (31st March 2018: 7,000) equity shares of ₹ 10 each)		
Kavit Infoline Private Limited	0.70	0.70
7,000 (31st March 2018: 7,000) equity shares of ₹ 10 each)		
Kavit Infra Projects Private Limited	0.80	0.80
8,000 (31st March 2018: 8,000) equity shares of ₹ 10 each)		
Kavit Swach Organic Food Private Limited	0.60	0.60
6,000 (31st March 2018: 6,000) equity shares of ₹ 10 each)		
Total	6.10	6.80

5 Investments

₹ in Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Investments at Fair Value through Other Comprehensive Income		
Investment in Equity Instruments (Quoted fully paid up)		
51,600 (31st March 2019: 51,600) Equity shares of Aadhaar Venture Limited of ₹ 10/- each (Formerly known as Prraneta Industries Limited)	0.25	0.25
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	0.52
Aggregate book value of quoted investment	0.25	0.25
Aggregate Market value of quoted investment	0.25	0.25
Aggregate Value of unquoted investment	0.27	0.27

For Kavit Industries Limited

Director

6 Loans

₹ in Lakhs		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured, Considered Good - at Amortised Cost		
i) Loans and Advances to related parties		
To Corporates	72.46	67.95
To Non Corporates	-	89.73
	72.46	157.68
ii) Other Loans and Advances		
To Others		
Consider Good	603.78	543.07
Having Significant Increase in Credit Risk	1,801.41	1,806.71
Credit Impaired	-	-
Total	2,405.18	2,349.78
Less: Allowances for doubtful Loans	-	-
	2,405.18	2,349.78
iii) Security and other deposits	30.42	11.36
Total	2,508.06	2,518.81

7 Trade Receivables

₹ in Lakhs		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade Receivable	8,514.93	9,446.33
Less: Allowances for doubtful receivable	-	-
	8,514.93	9,446.33
Break up of Trade Receivable		
Unsecured Considered Good	197.88	917.11
Having Increase in Credit Risk	8,317.05	8,529.23
Credit Impaired	-	-
Total	8,514.93	9,446.33
Less: Allowances for doubtful receivable	-	-
	8,514.93	9,446.33
Total	8,514.93	9,446.33

For Kavit Industries Limited

Director

8 Other Financial Assets

₹ in Lakhs		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Deferred Expense Assets	695.77	740.16
Total	695.77	740.16

9 Other Non Current Assets

₹ in Lakhs		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured, considered good		
Deferred Revenue Expenditures	40.96	48.62
Balance with government authorities		
- VAT / Excise / GST receivable	14.34	15.38
- Taxes paid under protest	32.53	32.53
- Tax deducted at source - (Net of Provisions for Taxation)	13.31	13.08
Total	101.15	109.60

10 Deferred Tax Assets (Net)

₹ in Lakhs		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Deferred Tax Assets		
Related to Property, Plant & Equipment's and Intangible Assets	5.99	2.26
Remeasurement of Defined Benefit Plan	(1.32)	(0.56)
Total	4.66	1.70

11 Inventories

(Valued at lower of Cost or Net Realisable Value)

₹ in Lakhs		
Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Raw Material	13.02	6.98
(b) Finished Goods	43.44	45.76
Total	56.46	52.73

For Kavit Industries Limited

Director

Kavit Industries Limited
Notes To Stand Alone Financial Statements For The Year Ended 31st March, 2020

12 Trade Receivables

Particulars	₹ in Lakhs	
	As at 31st March, 2020	As at 31st March, 2019
Trade Receivable	6,801.45	5,474.36
Less: Allowances for doubtful receivable	-	-
	6,801.45	5,474.36
Break up of Trade Receivable		
Unsecured Considered Good	6,801.45	5,474.36
Having Increase in Credit Risk	-	-
Credit Impaired	-	-
Total	6,801.45	5,474.36
Less: Allowances for doubtful receivable	-	-
	6,801.45	5,474.36
Total	6,801.45	5,474.36

* Trade Receivable includes debtors Rs. 0.57 Lacs (PY Rs. 8.14 Lacs) due to related parties

13 Cash and cash equivalents

Particulars	₹ in Lakhs	
	As at 31st March, 2020	As at 31st March, 2019
(i) Balances with banks		
(a) In current accounts	5.66	5.51
(ii) Cash in hand*	16.71	28.29
Total	22.37	33.80

* We have not verified physical cash balance as on 31/03/2020 and relied on the documents and records produced before us for reconciliation of cash balance.

For Kavit Industries Limited

Director

14 Loans

Particulars	₹ in Lakhs	
	As at 31st March, 2020	As at 31st March, 2019
Unsecured, considered good		
(a) Loans and Advances to subsidiaries	121.47	263.38
(b) Loans and Advances to other associates and related parties	62.69	127.12
(c) Loans and Advances to other parties*	2,016.11	2,036.96
(d) Advances to suppliers	461.25	496.19
 *Break up of Loans & Advances to Other Parties		
Consider Good	1,898.59	1,919.34
Having Significant Increase in Credit Risk	117.52	117.62
Credit Impaired	-	-
Total	2,016.11	2,036.96
Less: Allowances for doubtful Loans	-	-
	2,016.11	2,036.96
Total	2,661.52	2,923.65

15 Other Current Assets

Particulars	₹ in Lakhs	
	As at 31st March, 2020	As at 31st March, 2019
Unsecured, considered good		
(a) Duties and Taxes Receivables	6.94	-
(b) Others	-	-
Total	6.94	-

For Kavit Industries Limited

Director

Kavit Industries Limited
Notes To Stand Alone Financial Statements For The Year Ended 31st March, 2020

16 Equity Share capital

16.1 Authorised Share Capital *

Particulars	Equity Share Capital	
	No. of Shares	Amount (₹ in Lakhs)
As At 1 April, 2018	46,500,000	4,650
Increase /(decreased) during the year	-	-
As At 31 March, 2019	46,500,000	4,650
Increase /(decreased) during the year	-	-
As At 31 March, 2020	46,500,000	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. The stamp duty and late filing fees would be amounting Rs. 30 Lakhs which the Company has not provided for the same in the Books of Account.

16.2 Issued Share Capital

Particulars	Equity Share Capital	
	No. of Shares	Amount (₹ in Lakhs)
As At 1st April 2018	61,933,333	6,193
Increase /(decreased) during the year	-	-
As At 31 March, 2019	61,933,333	6,193
Increase /(decreased) during the year	-	-
As At 31 March 2020	61,933,333	6,193

For Kavit Industries Limited

Kavit Industries Limited**Notes To Stand Alone Financial Statements For The Year Ended 31st March, 2020****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, 2020		As At 31 March, 2019	
	No. of shares	Percentage	No. of shares	Percentage
Raghuvir International Private Limited	12,838,850	20.73%	12,838,850	20.73%
Shree Saibaba Exim Private Limited	9,738,333	15.72%	9,738,333	15.72%
Silver cade Trading Private Limited	10,071,384	16.26%	4,375,964	7.07%
Aprateem Trading Private Limited	4,440,306	7.17%	4,597,414	7.42%
Krystalklear Properties Private Limited	-	0.00%	3,370,000	5.44%
Saint Infrastructure Pvt. Ltd.	4,116,844	6.65%	3,061,666	4.94%
Gill Entertainment Pvt. Ltd.	-	0.00%	4,133,228	6.67%
Indivar Traders Pvt. Ltd.	4,846,023	7.82%	4,008,522	6.47%

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

Kavit Industries Limited
Notes To Stand Alone Financial Statements For The Year Ended 31st March, 2020

17 Other Equity

₹ in Lakhs		
Particulars	As at 31 March 2020	As at 31 March 2019
(a) Security Premium Reserve	451.67	451.67
(b) Equity Instruments through Other Comprehensive Income (Refer below Note (i))	(50.23)	(50.23)
(c) Revaluation Reserve	704.63	704.63
(d) Retained Earnings (Refer below Note (ii))	529.88	179.78
Total	1,635.94	1,285.85

Note:

₹ in Lakhs		
Particulars	As at 31 March 2020	As at 31 March 2019
(i) Equity Instruments through Other Comprehensive Income		
As per last Balance Sheet	(50.23)	(50.21)
Add/Less : Additions/(Deletions) during the year	-	(0.03)
	(50.23)	(50.23)
(ii) Retained Earnings		
Add : Profit/(Loss) for the year as per Statement of Profit and Loss	179.78	23.69
Add: Remeasurement of the Net Defined benefit liability/asset, net of tax effect	347.80	154.27
Less : Corporate Dividend Tax on Interim Dividend	2.29	1.82
	-	-
	529.88	179.78

For Kavit Industries Limited

18 Borrowings

₹ in Lakhs		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured - at amortized cost		
i) Loans and Advances from related parties		
From Directors	-	-
From Corporates	99.83	93.04
ii) Loans and Advances from Others		
From Others	307.46	306.58
Total	407.29	399.62

19 Trade Payable

₹ in Lakhs		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade payables	8,347.30	9,594.73
Total	8,347.30	9,594.73

20 Non Current - Other Financial Liabilities

₹ in Lakhs		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Deferred Income Liabilities	120.77	128.43
Defined Benefit Plan	-	2.81
Total	120.77	131.24

21 Borrowings

₹ in Lakhs		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Loans from Others	54.55	79.76
Total	54.55	79.76

22 Trade Payables

₹ in Lakhs		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade Payables	4,609.80	4,346.44
Total	4,609.80	4,346.44

23 Other Financial Liabilities

₹ in Lakhs		
Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Advances received from customers	730.22	1.87
(b) Other Financial Liabilities	2.88	39.01
Total	733.10	40.88

24 Other Current Liabilities

₹ in Lakhs		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Other Current Liability		
(a) Statutory dues payable	2.93	2.71
(b) Defined Benefit Plan	-	0.05
(c) Others	0.02	-
Total	2.95	2.77

25 Provisions

₹ in Lakhs		
Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Provision for Expenses	2.76	3.08
(b) Provision for Taxation	165.67	93.10
Total	168.43	96.18

26 Revenue from Operations

Particulars	For the Period ended 31 March, 2020	For the Period ended 31 March, 2019
Trading Sales of Products	9,741.98	9,197.95
Total	9,741.98	9,197.95

27 Other Income

Particulars	For the Period ended 31 March, 2020	For the Period ended 31 March, 2019
(a) Interest Income	2.33	5.89
(b) Dividend Income	-	0.01
(c) Sundry Balances Written off (Net)*	395.41	263.06
(d) Miscellaneous Income	-	1.40
(e) Other non-operating income	-	-
(f) Rent Income	23.11	19.00
(g) Profit on sale of Shares	-	-
Total	420.86	289.36

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

28 Cost of materials consumed

Particulars	For the Period ended 31 March, 2020	For the Period ended 31 March, 2019
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

29 Purchase of Traded Goods

Particulars	For the Period ended 31 March, 2020	For the Period ended 31 March, 2019
Trading Purchases	9,566.49	9,141.49
Purchase of Packing Material	-	1.44
Total	9,566.49	9,142.93

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

Particulars	For the Period ended 31 March, 2020	For the Period ended 31 March, 2019
<u>Inventory at the beginning of the year</u>		
Finished Goods	52.73	43.59
Work in Progress	-	-
	52.73	43.59
<u>Inventory at the end of the year</u>		
Finished Goods	56.46	45.76
Work in Progress	-	-
	56.46	45.76
Net Changes in Inventories	(3.73)	(2.17)

31 Employee Benefit Expenses

Particulars	For the Period ended 31 March, 2020	For the Period ended 31 March, 2019
Salaries, wages , bonus, allowances ,etc.	3.34	7.92
Contributions to Provident and Other Fund	0.21	1.97
Director Remmuneration	12.00	12.00
Total	15.56	21.89

32 Finance Costs

Particulars	For the Period ended 31 March, 2020	For the Period ended 31 March, 2019
Interest Expenses	19.64	1.06
Bank Charges	0.84	0.35
Total	20.48	1.41

For Kavit Industries Limited

33 Other Expenses

Particulars	For the Period ended 31 March, 2020	For the Period ended 31 March, 2019
Advertisement Expenses	1.34	1.19
Audit Fees	2.50	2.76
Conveyance Expenses	0.52	-
Electricity Expenses	4.21	0.68
Factory Expense	1.86	0.20
Freight & Carting Charges	2.31	1.35
Insurance Expenses	0.19	0.16
Internet & Telephone Expense	0.35	0.23
Legal & Professional Fees	6.56	8.11
Other Misc. Expenses	13.82	6.43
Office Building Maintenance Expenses	1.40	-
Office Expenses	0.34	0.05
Printing & Stationery Expenses	0.46	0.23
Prior Period Expenses	0.51	8.62
Rates & Taxes	0.10	4.32
Repairs & Maintenance	1.03	0.03
Bad Debts	-	35.01
Travelling Expenses	2.06	0.89
Website Exp	1.32	-
Security Exp	1.71	-
Total	42.59	70.27

For Kavit Industries Limited

34 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, 2020	March 31, 2019
Profit attributable to equity holders of the Company for basic and diluted earnings per share	347.80	154.27
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	61,933,333	61,933,333
Basic earnings per share (in ₹)	0.56	0.25

35 Additional information to the financial statements**(A) Contingent Liabilities and Capital Commitments**

₹ in Lakhs

Particulars	As at 31 March, 2020	As at 31 March, 2019
(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, 2020 ₹ NIL * (As at March 31, 2019 ₹ 32.53 lakhs)	2,184.41	2,342.56
(c) Commitments		
Estimated amount of contracts remaining to be executed on capital account & not provided for (Net of Advances)	-	-

* The Company has got the order from CIT Appeal in favour of the Company during the year but the department has made an appeal to appellate authority against the Company due to this the demand has been shown as contingent liabilities.

(B) Auditor's Remuneration

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Audit Fees (Including for Quarterly limited review)	2.50	2.76
For Certification work	-	-
Fees for other services	-	0.90
Total	2.50	3.66

36 IMPAIRMENT

The Company has not found any indication of impairment of the assets as per Ind AS 38 and accordingly no further exercise for calculating impairment loss has been undertaken.

38 FAIR VALUE MEASUREMENTS

Financial instruments by category

₹ in Lakhs

	As at March 31, 2020			As at March 31, 2019		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Investments						
- Equity Instruments	-	0.52	-	-	0.52	-
Loans and Deposit	-	-	5,169.58	-	-	5,442.47
Trade Receivables	-	-	15,316.38	-	-	14,920.69
Cash and Cash Equivalents	-	-	22.37	-	-	33.80
Bank Balances other than above	-	-	-	-	-	-
Other Financial Assets	-	-	695.77	-	-	740.16
Total Financial Assets	-	0.52	21,204.10	-	0.52	21,137.12
Financial Liabilities						
Borrowings	-	-	461.84	-	-	479.38
Other financial Liabilities	-	-	853.86	-	-	170.25
Trade payables	-	-	12,957.10	-	-	13,941.17
Total Financial Liabilities	-	-	14,272.80	-	-	14,590.80

(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, 2020	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, 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		-	-	-

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.

39 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. In determination of allowances for credit losses on trade receivables, the Company has used a practical expedience by computing the expected credit losses based on ageing matrix, which has taken into account historical credit loss experience and adjusted for forward looking information.

(ii) Cash and cash equivalents

As at the year end, the Company held cash and cash equivalents of ₹ 22.37 Lacs (31.03.2017 ₹ 33.80 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 Financials 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.

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	54.55	407.29	461.84
Other financial liabilities	733.10	120.77	853.86
Trade payables	4,609.80	8,347.30	12,957.10
Total Non-derivative liabilities	5,397.45	8,875.35	14,272.80
As at March 31, 2018			
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

(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.

40 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, 2020	March 31, 2019
PVO at the beginning of the year	2.86	4.58
Current service cost	0.02	0.35
Interest cost	0.19	0.35
Actuarial (Gains)/Losses	(3.05)	(2.42)
Benefits paid	-	-
Accrued Payment	-	-
PVO at the end of the year	0.02	2.86
b) Change in fair value of plan assets:	Gratuity - Funded as on	
	March 31, 2020	March 31, 2019
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, 2020	March 31, 2019
PVO at the end of period	0.02	2.86
Fair value of planned assets at tend of year	-	-
Funded status	0.02	2.86
Net asset/(liability) recognised in the balance sheet	0.02	2.86
d) Net cost for the year ended:	Gratuity - Funded as on	
	March 31, 2020	March 31, 2019
Current service cost	0.02	0.35
Interest cost	0.19	0.35
Expected return on plan assets	-	-
Actuarial (Gains)/ Losses	(3.05)	(2.42)
Net cost	(2.84)	(1.72)
e) Amount recognised in Other Comprehensive Income	Gratuity - Funded as on	
	March 31, 2020	March 31, 2019
Actuarial (Gains)/ Losses	(3.05)	(2.42)

f) Major category of assets as at:	Gratuity - Funded as on	
	March 31, 2020	March 31, 2019
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, 2020	March 31, 2019
Discount rate (%)	6.80%	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.

41 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 International 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 Kartikumar 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, 2020 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)	-	-	- (426.96)
Rent	12.00 (19.00)	-	-	12.00 (19.00)

For Kavit Industries Limited

Kavit Industries Limited**Notes To Stand Alone Financial Statements For The Year Ended 31st March, 2020**

Inter Corporate Deposit Taken	-	-	-	-
	-	(14.50)	-	(14.50)
Inter Corporate Deposit Repaid	-	-	-	-
	-	(24.54)	-	(24.54)
Loans Given	257.12	238.76	-	495.88
	(184.32)	(68.04)	(3.37)	(255.73)
Loan Given received back	393.18	415.35	-	808.53
	(409.96)	(161.32)	3.37	(567.91)
Remuneration to Director	-	-	12.00	12.00
	-	-	(12.00)	(12.00)
Salary Expenses	-	-	-	-
	-	-	(4.80)	(4.80)
<u>Balance outstanding at the year end:</u>				
Account Payable	-	-	-	-
	(4.84)	-	-	(4.84)
Account Receivable	-	-	-	-
	(8.14)	-	-	(8.14)
Loan Payable Outstanding	-	121.96	-	121.96
	-	(90.36)	-	(90.36)
Loan Receivable Outstanding	122.03	157.23	-	279.26
	(263.38)	(238.63)	-	(502.01)

For Kavit Industries Limited

41 Income Taxes**A Income Tax Assets (Net)**

Particulars	As at March 31, 2020	As at March 31, 2019
Advance Payment of Income-Tax Assets (Net)	-	-

B Current Tax Liabilities (Net)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Income Tax (Net)	165.67	93.10

C Component of Deferred Tax Assets (Net)

Particulars	As at March 31, 2020	As at March 31, 2019
Depreciation and Amortisation	(3.73)	(4.57)
Remeasurement of DBP	0.76	0.61
Total	(2.96)	(3.97)

D Income taxes recognised in statement of profit and loss

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Statement of Profit & Loss		
Current Income-Tax (net off MAT Credit entitlement)	146.44	71.57
Deferred Tax relating to origination & reversal of temporary differences	(3.73)	(4.57)
Income-Tax Expense reported in the statement of profit or loss	142.71	67.00
(b) Other Comprehensive Income (OCI)		
- Remeasurement of Defined benefit plans	0.76	0.61
Income-Tax charged to OCI	0.76	0.61
(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended		
Accounting Profit before Income Tax	490.52	221.27
Statutory Income-Tax Rate	28.82%	26.75%
Tax at statutory Income-Tax Rate	141.39	59.19
Tax effect of:		
Income not subject to tax	-	-
Inadmissible Expenses or Expenses treated as separately	5.91	12.38
Admissible Deductions	(0.86)	-
Deferred tax on other items	(3.73)	(4.57)
Total tax effects	1.32	7.81
Income Tax expenses reported in statement of Profit & Loss	142.71	67.00

42 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.

43 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 principle geographical areas in which company the Company operates is India.

44 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 year	
	3/31/2020	3/31/2019	3/31/2020	3/31/2019
Kavit Edible Oil Limited	114.99	84.06	151.65	156.49
Kavit Infoline Private Limited	6.48	10.43	6.48	10.43
Kavit Swach Organic Food Private Limited	-	83.31	-	162.20
Kavit Infra Projects Private Limited	-	85.58	-	160.58

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

- 45 The Company has identified list of the Trade Receivables and Payables, the credit of the parties have been impaired and balances which are either receivable or payable to the parties are written off, the net impact of the same is credited to Profit & Loss Account under the Other Income head of Rs. 395.41 Lakhs, had the same was not done the profit of the Company would have been lower by the Rs. 395.41 Lakhs.

Also, the Company has entered into debt settlement agreement with one of the Trade Payable to whom company was indebted Rs. 1167.80 Lakhs. As per this agreement the Company needs to pay Rs. 1000.00 Lakhs only and the balance would be waived off, and one of the condition to the agreement was to settle the payment obligation upto March 2020. Due to Covid 19 outbreak, the Company has not been able to settle the payment obligation and the same is pending to be paid. The Company is in the process of negotiating and revising the payment obligation schedule.

- 46 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.
- 47 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.
- 48 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, 16 July, 2020

Jayesh Thakkar
Managing director
DIN - 01631093

Bhavesh Desai
CFO

Kartik Mistry
Director
DIN - 07791008

Mikil Gohil
Company Secretary

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.

vi. Uncertainty relating to the global health pandemic on COVID-19

In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, goodwill, intangible assets, and certain investments, the Company has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used herein. Based on the current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets.

The Company basis its assessment believes that the probability of the occurrence of forecasted transactions is not impacted by COVID-19. The Company has also considered the effect of changes, if any, in both counterparty credits risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness and continues to believe that there is no impact on effectiveness of its hedges.

The impact of COVID-19 remains uncertain and may be different from what we have estimated as of the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

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

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 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

- (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:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue from the sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on the delivery of the goods. Revenue is recognisable to the extent of the amount that reflects the consideration (i.e. the transaction price) to which the Company is expected to be entitled in exchange for those goods or services excluding any amount received on behalf of third party (such as indirect taxes).

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.

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.

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:

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee**(A) Lease Liability**

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using incremental borrowing rate.

(B) Right-of-use assets

Initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

Subsequent measurement**(A) Lease Liability**

Company measure the lease liability by (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) remeasuring the carrying amount to reflect any reassessment or lease modifications.

(B) Right-of-use assets

Subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the underlying asset.

Impairment

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Short term Lease

Short term lease is that, at the commencement date, has a lease term of 12 months or less. A lease that contains a purchase option is not a short-term lease. If the company elected to apply short term lease, the lessee shall recognise the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis. The lessee shall apply another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

As a lessor

Leases for which the company is a lessor is classified as a finance or operating lease. Whenever, the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Lease income is recognised in the statement of profit and loss on straight line basis over the lease term.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning 1st April, 2019 and applied the standard prospectively to its 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.

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:

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 2020, 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 of the Companies Act, 2013, pertaining to the loans and advances granted to the Subsidiaries
2. During the year the Company has written off balances of certain Trade Receivable and Payable, the net effect of the same is Rs. 395.41 Lakhs shown under the Other Income. Had the same was not written off the profit of the Company would have been lower by Rs. 395.41 Lakhs. (Refer Note Number 26 and 42).
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. The stamp duty and late filing fees would be amounting Rs. 30 Lakhs which the Company has not provided for the same in the Books of Account. (Refer Note Number 15).

Other Matters

- a. We did not audit the financial statements of four subsidiaries whose financial statement reflects total assets of ₹ 150.12 lakhs as at 31st March 2020 and total revenue of ₹ 309.20 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.

Key Audit Matters	Response to Key Audit Matters
<p>1. Revenue Recognitions.</p> <p>Revenue for the company consists primarily of sale of products.</p> <p>Revenue from sale of Product is recognized when the control over the products have been transferred to the customer based on the terms and conditions of the sales contracts entered into with the customers across geographies.</p> <p>We have identified recognition of revenue as a key audit matter as revenue is a key performance indicator and there is a risk of revenue being fraudulently overstated arising from pressure to achieve performance targets as well as meeting external expectations.</p>	<p>Our procedures in respect of recognition of revenue included the following</p> <p>a) Assessing the appropriateness of the revenue recognition accounting policies by comparing with applicable accounting standards.</p> <p>b) Testing the design, implementation and operating effectiveness of the Company's general IT controls and manual controls over the Company's systems which govern recording of revenue in the general ledger accounting system.</p> <p>c) Performing substantive testing (including year-end cutoff testing) by selecting samples of revenue transactions recorded during the year (and before and after the financial year) and verifying the underlying documents, which includes sales invoices/contracts and shipping documents.</p> <p>d) Assessing manual journals posted to revenue to identify unusual items other than already identified.</p> <p>e) Evaluating the adequacy of the standalone financial statement disclosures, including disclosures of key assumptions, judgments and sensitivities.</p>
<p>2. Impairment of Trade Receivables:</p> <p>Trade Receivables, net of impairment allowance, amounts to Rs. 153.16 Crores as on 31st March 2020, which constitutes about 70% of the total Assets of the Company.</p> <p>Out of the total Trade Receivables around 54% of total Trade Receivable are classified as having high risk of credit impairment.</p> <p>Due to significance of Trade Receivables and the complexity involved in the ECL calculation, this was considered as key audit matter.</p> <p>Management's judgment is involved in identifying impairment in the value of the receivable which has an adverse impact on the profits of the Company.</p>	<p>We have performed the following processes in relation to Management's Judgment in identification of impairment of value of Receivables and adequacy of impairment provision:</p> <p>We have referred to the defined policy in place stipulating the methodology of making impairment provision in respect of overdue Receivable amounts.</p> <p>We have also reviewed age-wise analysis in respect of Receivables and ensured that the provisioning is made according to such policy. The above referred provisioning policy stipulates different provisioning norms for Receivables with confirmations and without confirmations</p> <p>We have sought information and explanations from the department Heads regarding the status of receivable for the purpose of ensuring adequate impairment provisions.</p>

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
UDIN: 20132623AAAABE6309

Date: 16/07/2020
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 2020, 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, 2020, 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: 16/07/2020
Place: Vadodara

(₹ in Lakhs)

Particulars	Notes	As at March 31,2020	As at 31-Mar-19
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	3	892.72	860.74
(b) Capital work-in-progress	3	-	-
(b) Intangible Assets	3	0.80	1.58
(c) Financial Assets			
(i) Investments	4	0.52	0.52
(ii) Loans	5	2,509.56	2,518.81
(ii) Trade Receivable	6	8,514.93	9,446.33
(iii) Other Financial assets	7	695.77	740.16
(d) Other Non Current Assets	8	101.15	113.30
(e) Deferred tax assets (Net)	9	5.18	1.73
Current assets			
(a) Inventories	10	60.81	84.63
(b) Financial Assets			
(i) Trade receivables	11	6,828.90	5,701.56
(ii) Cash and cash equivalents	12	45.76	91.37
(iii) Loans	13	2,746.92	2,879.67
(c) Other current assets	14	14.45	7.50
Total Assets		22,417.47	22,447.92
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	15	6,193.33	6,193.33
(b) Other Equity	16	1,640.72	1,291.17
Total equity attributable to equity holders of the Parent		7,834.06	7,484.50
Non Controlling Interest		2.48	2.95
		7,836.54	7,487.45
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	522.60	411.57
(ii) Trade Payables	18	8,350.21	9,594.73
(ii) Non Current - Other Financial Liabilities	19	120.77	144.27
Current liabilities			
(a) Financial Liabilities			
(i) Short Term Borrowing	20	68.58	-
(ii) Trade payables	21	4,610.89	4,516.72
(iii) Other financial liabilities	22	733.10	189.05
(b) Other current liabilities	23	4.93	4.20
(c) Provisions	24	169.85	99.92
Total Liabilities		14,580.93	14,960.46
Total Equity and Liabilities		22,417.47	22,447.92
Summary of significant accounting policies	1		

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

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

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

Manojkumar Sahu
Partner
Membership No. 132623
Vadodara, 16th July, 2020

Jayesh Thakkar
Managing director
DIN - 01631093

Kartik Mistry
Director
DIN - 07791008

Bhavesh Desai
CFO

Mikil Gohil
Company Secretary

Kavit Industries Limited
Consolidated Statement of Profit and Loss for the year ended March 31,2020

(₹ in Lakhs)

Particulars	Notes	For the year ended March 31,2020	For the year ended March 31,2019
Income			
Revenue from Operation	25	10,017.23	10,541.60
Other Income	26	454.81	347.78
Total Revenue		10,472.04	10,889.37
Expenses			
Cost of Material Consumed	27	-	-
Purchases of stock-in-trade	28	9,792.71	10,448.58
Changes in inventories of finished goods, WIP	29	23.82	(25.24)
Employee Benefits Expense	30	37.22	59.77
Finance Costs	31	20.89	1.73
Other Expenses	32	77.02	147.95
Depreciation and Amortization Expense		30.94	31.72
Total Expenses		9,982.60	10,664.52
Profit before Tax		489.44	224.85
Tax Expenses			
Current Tax		146.69	72.80
Income Tax of Earlier Year		-	0.14
Deferred Tax		(4.21)	(4.57)
Profit for the year		346.97	156.48
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
- Remeasurement of Defined Benefit Plans		(3.19)	(2.54)
- 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		0.76	0.58
- Equity instruments through other comprehensive income		-	-
Total other comprehensive income		(2.43)	(1.99)
Total comprehensive income for the period		349.40	158.47
Total comprehensive income for the period attributable to Owners of the Company		349.56	157.92
Non Controlling Interest		(0.17)	0.55
Earnings per equity share:			
(1) Basic		0.56	0.25
(2) Diluted		0.56	0.25
Summary of significant accounting policies	1		

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

As Per Our Report Of Even Date

For M Sahu & Co

Chartered Accountants

Firm Registration No: 130001W

For and on behalf of the Board of Directors of

Kavit Industries Limited

Manojkumar Sahu

Partner

Membership No. 132623

Vadodara, 16th July, 2020

Jayesh Thakkar

Managing director

DIN - 01631093

Bhavesh Desai

CFO

Kartik Mistry

Director

DIN - 07791008

Mikil Gohil

Company Secretary

Kavit Industries Limited
Consolidated Statement Of Changes In Equity For The Year Ended 31st March, 2020

a. EQUITY SHARE CAPITAL:

	Notes	₹ in Lakhs Amount
Balance as at 1 April, 2018	14	619.33
Changes in equity share capital during the year		-
Balance as at 31 March, 2019	14	619.33
Changes in equity share capital during the year		-
Balance as at 31 March, 2020	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, 2018	451.67	704.63	27.16	(50.21)	1,133.25	2.40	1,135.65
Profit for the year	-	-	155.93	-	155.93	0.55	156.48
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	-	-	157.89	0.03	157.92	0.55	158.47
Balance as at March 31, 2019	451.67	704.63	185.05	(50.18)	1,291.17	2.95	1,294.12
Profit for the year	-	-	347.14	-	347.14	(0.17)	346.97
Addition during the year	-	-	-	-	-	(0.30)	(0.30)
Remeasurement of post employment benefit obligation (net of tax)	-	-	2.43	-	2.43	-	2.43
Total comprehensive income for the year	-	-	349.56	-	349.56	(0.47)	349.09
Balance as at March 31, 2020	451.67	704.63	534.62	(50.18)	1,640.73	2.48	1,643.21

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
Firm Registration No. 130001W

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

Manojkumar Sahu
Partner
Membership No. 132623
Vadodara, 16th July, 2020

Jayesh Thakkar
Managing director
DIN - 01631093

Kartik Mistry
Director
DIN - 07791008

Bhavesh Desai
CFO

Mikil Gohil
Company Secretary

Particulars	For the year ended March 31,2020	For the year ended March 31,2019
A. Cash Flow from Operating Activities :		
Net Profit before Tax	489.44	224.85
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and Amortisation Expense	30.94	31.72
Other non-operating income (Incl Written - off)	(395.41)	(263.06)
Interest expense	20.89	1.73
Bad Debts	-	35.01
Interest Income	(2.33)	(5.89)
Preliminary Expenses written off	-	1.39
Dividend Income	-	(0.01)
Operating Profit before Working Capital changes	143.53	25.74
Movement in Working Capital :		
(Increase)/Decrease in Inventories	23.82	(25.24)
(Increase)/Decrease in Trade Receivables	(1,127.34)	(2,149.66)
(Increase)/Decrease in Loans	132.75	626.14
(Increase)/Decrease in Other Assets	(6.95)	(1.58)
Increase/(Decrease) in Trade Payable	94.17	1,415.14
Increase/(Decrease) in Short Term Borrowings	68.58	79.10
Increase/(Decrease) in Other Current Liability	544.78	69.17
Increase/(Decrease) in Provisions	(1.75)	-
Cash Generated from Operation	(128.40)	38.80
Direct Tax Paid (Net of Refunds)	71.67	(65.00)
Net Cash inflow from/ (outflow) from Operating activities (A)	(56.73)	(26.20)
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(62.16)	(3.92)
Purchase of Investments	-	-
Interest Received	2.33	5.89
Dividend Received	-	0.01
Net Cash inflow from/ (outflow) from Financing activities (B)	(59.82)	1.98
C. Cash Flow from Financing Activities :		
Proceeds/(Repayment) from Long Term Borrowings (Net)	111.04	(66.13)
Repayment/(Proceeds) from Loans and Advances (Net)	(19.25)	109.37
Interest paid	(20.89)	(1.73)
Proceeds of Share Application money/Share Capital	-	-
Net Cash inflow from/ (outflow) from Financing activities (C)	70.89	41.50
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(45.67)	17.28
Cash and Cash Equivalents at the beginning of the year	91.37	74.32
Cash and Cash Equivalents at the end of the year	45.71	91.60
Components of Cash and cash equivalents		
Cash on hand	38.09	74.09
With Banks		
- on Current Account	7.68	17.29
Cash and Cash equivalents	45.76	91.37

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.

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

Manojkumar Sahu
Partner
Membership No. 132623
Vadodara, 16th July, 2020

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

Jayesh Thakkar
Managing director
DIN - 01631093

Kartik Mistry
Director
DIN - 07791008

Bhaves Desai
CFO

Mikil Gohil
Company Secretary

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 01/04/2019	717.57	103.20	269.33	3.34	7.44	4.93	6.84	4.26	5.90	1.36	916.98	2.44	2.38	919.36
Additions	-	10.05	27.01	-	24.79	-	-	-	0.30	-	62.16	-	-	62.16
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross carrying amount As at 31/03/2020	717.57	113.26	296.34	3.34	32.24	4.93	6.84	4.26	6.21	1.36	1,186.35	2.44	2.44	1,188.79
Accumulated Depreciation as at 01/04/2019	-	59.52	176.38	3.06	6.97	4.39	6.50	4.03	2.28	0.32	25.30	0.87	0.03	25.33
Charge for the period	-	3.29	25.64	-	0.32	0.36	0.23	0.24	0.24	0.09	30.17	0.77	0.77	30.94
Sales/transferred/written off	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation as at 31/03/2020	-	62.81	202.01	3.06	7.29	4.76	6.73	4.03	2.52	0.41	293.62	1.64	1.64	295.26
Net carrying amount:														
Carrying amount as at 31/03/2020	717.57	50.44	94.33	0.28	24.95	0.17	0.11	0.23	3.68	0.96	892.72	0.80	0.80	893.53
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

4 Investments

₹ in Lakhs		
Particulars	As at 31st March, 2020	As at 31st March, 2019
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	0.25
Investment in Equity Instruments (Unquoted)		
Omkar Powertech India Pvt Ltd	0.27	0.27
Total	0.52	0.52
Aggregate Market value of quoted investment	0.25	0.25
Aggregate Value of unquoted investment	0.27	0.27

5 Loans

₹ in Lakhs		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured, considered good - at amortized cost		
i) Loans and Advances to related parties		
To Corporate	73.96	67.95
To Non Corporate	-	89.73
	73.96	157.68
ii) Other Loans and Advances		
To Others	-	-
Consider Good	603.78	543.07
Having Significant Increase in Credit Risk	1,801.41	1,806.71
Credit Impaired		
	2,405.18	2,349.78
Less: Allowances for doubtful Loans	-	-
	2,405.18	2,349.78
iii) Security and other deposits	30.42	11.36
Total	2,509.56	2,518.81

For Kavit Industries Limited

Director

6 Trade Receivable

₹ in Lakhs		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade Receivable	8,514.93	9,446.33
Less: Allowances for doubtful receivable	-	-
	8,514.93	9,446.33
Break up of Trade Receivable		
Unsecured Considered Good	197.88	917.11
Having Increase in Credit Risk	8,317.05	8,529.23
Credit Impaired	-	-
	8,514.93	9,446.33
Less: Allowances for doubtful receivable	-	-
	8,514.93	9,446.33
Total	8,514.93	9,446.33

7 Other Financial Assets

₹ in Lakhs		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Deferred Expense Assets	695.77	740.16
Total	695.77	740.16

8 Other Non Current Assets

₹ in Lakhs		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured, considered good		
Deferred Revenue Expenditures	40.96	48.62
Balance with government authorities	14.34	0.84
- VAT / Excise / GST receivable	32.53	15.38
- Advance Income Tax against demand	13.31	32.53
- Tax deducted at source (Net of Provisions for Taxation)	-	15.94
Total	101.15	113.30

9 Deferred Tax Assets (Net)

₹ in Lakhs		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Deferred Tax Assets		
Related to Property, Plant & Equipments and Intangible Assets	5.99	2.29
Remeasurement of Defined Benefit Plan	(0.81)	(0.56)
Total	5.18	1.73

For Kavit Industries Limited

Director

10 Inventories

(Valued at lower of Cost or Net Realizable Value)

₹ in Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Raw Material	13.02	6.98
(b) Finished Goods	47.79	77.65
Total	60.81	84.63

11 Trade receivables

₹ in Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured		
Trade Receivable	6,828.90	5,701.56
Less: Allowances for doubtful receivable	-	-
	6,828.90	5,701.56
Break up of Trade Receivable		
Unsecured Considered Good	6,828.90	5,701.56
Having Increase in Credit Risk	-	-
Credit Impaired	-	-
Total	6,828.90	5,701.56
Less: Allowances for doubtful receivable	-	-
	6,828.90	5,701.56
Total	6,828.90	5,701.56

12 Cash and cash equivalents

₹ in Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
(i) Balances with banks		
(a) In current accounts	7.68	17.29
(ii) Cash in hand	38.09	74.09
Total	45.76	91.37

For Kavit Industries Limited

Director

13 Loans

₹ in Lakhs		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured, considered good		
(a) Loans and Advances to subsidiaries	121.47	-
(b) Loans and Advances to other associates and related parties	142.01	315.93
(c) Loans and Advances to other parties *	2,021.17	2,067.13
(d) Loans and Advances to suppliers / Employees	462.27	496.61
 *Break up of Loans & Advances to Other Parties		
Consider Good	1,903.65	1,919.34
Having Significant Increase in Credit Risk	117.52	117.62
Credit Impaired	-	-
Total	2,021.17	2,036.96
Less: Allowances for doubtful Loans	-	-
	2,021.17	2,036.96
Total	2,746.92	2,879.67

14 Other Current Assets

₹ in Lakhs		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured, considered good		
(a) Duties and Taxes Receivables	8.42	5.00
(b) Others	6.03	2.51
Total	14.45	7.50

For Kavit Industries Limited

Director

Kavit Industries Limited
Notes To Consolidated Financial Statements For The Year Ended 31st March, 2020

15 Equity Share capital

15.1 Authorized Share Capital

Particulars	Equity Share Capital	
	No. of Shares	Amount (₹ in Lakhs)
As At 1 April, 2017	46,500,000	4,650
Increase /(decreased) during the year	-	-
As At 31 March, 2018	46,500,000	4,650
Increase /(decreased) during the year	-	-
As At 31 March, 2019	46,500,000	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 ₹ 46*

15.2 Issued Share Capital

Particulars	Equity Share Capital	
	No. of Shares	Amount (₹ in Lakhs)
As At 1st April 2017	61,933,333	6,193
Increase /(decreased) during the year	-	-
As At 31 March, 2018	61,933,333	6,193
Increase /(decreased) during the year	-	-
As At 31 March 2019	61,933,333	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

Kavit Industries Limited
Notes To Consolidated Financial Statements For The Year Ended 31st March, 2020

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

Shareholders	As At 31 March, 2020		As At 31 March, 2019	
	No. of shares	Percentage	No. of shares	Percentage
Raghuvir International Private Limited	12,838,850	20.73%	12,838,850	20.73%
Shree Saibaba Exim Private Limited	9,738,333	15.72%	9,738,333	15.72%
Silver cade Trading Private Limited	10,071,384	16.26%	4,375,964	7.07%
Aprateem Trading Private Limited	4,440,306	7.17%	4,597,414	7.42%
Krystalklear Properties Private Limited	-	0.00%	3,370,000	5.44%
Saint Infrastructure Pvt. Ltd.	4,116,844	6.65%	3,061,666	4.94%
Gill Entertainment Pvt. Ltd.	-	0.00%	4,133,228	6.67%
Indivar Traders Pvt. Ltd.	4,846,023	7.82%	4,008,522	6.47%

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 Kavi Industries Limited

15 Other Equity

Particulars	₹ in Lakhs	
	As at 31 March 2020	As at 31 March 2019
(a) Security Premium Reserve	451.67	451.67
(b) Equity Instruments through Other Comprehensive Income (Refer below Note (i))	(50.23)	(50.18)
(c) Revaluation Reserve	704.63	704.63
(d) Retained Earnings (Refer below Note (ii))	534.66	185.09
Total	1,640.72	1,291.21

Note:

Particulars	₹ in Lakhs	
	As at 31 March 2020	As at 31 March 2019
(i) Equity Instruments through Other Comprehensive Income		
As per last Balance Sheet	(50.18)	(50.21)
Add/Less : Additions/(Deletions) during the year	-	0.03
	(50.18)	(50.18)
(ii) Retained Earnings		
Add : Profit/(Loss) for the year as per Statement of Profit and Loss	185.09	27.42
Add: Remeasurement of the Net Defined benefit liability/asset, net of tax effect	347.14	155.68
Less : Corporate Dividend Tax on Interim Dividend	2.43	1.99
	-	-
	534.66	185.09

17 Borrowings

Particulars	₹ in Lakhs	
	As at 31st March, 2020	As at 31st March, 2019
Unsecured - at amortized cost		
i) Loans and Advances from related parties		
From Directors	-	9.80
From Corporates	215.15	95.19
ii) Loans and Advances from Others		
From Others	307.46	306.58
Total	522.60	411.57

18 Trade Payable

Particulars	₹ in Lakhs	
	As at 31st March, 2020	As at 31st March, 2019
Trade payables	8,350.21	9,594.73
Total	8,350.21	9,594.73

19 Non Current - Other Financial Liabilities

Particulars	₹ in Lakhs	
	As at 31st March, 2020	As at 31st March, 2019
Deffered Income Liabilities	120.77	128.43
Defined Benefit Plan	-	4.59
Security Deposits	-	11.25
		-
Total	120.77	144.27

₹ in Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Loans from Related Party	11.77	-
Loans from Others	56.81	-
Total	68.58	-

21 Trade payables

₹ in Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade payables	4,610.89	4,516.72
Total	4,610.89	4,516.72

22 Other financial liabilities

₹ in Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advances received from customers	730.22	2.43
Other Financial Liabilities	2.88	39.01
Loans and Advances from Others		
From Related Parties	-	67.85
From others	-	79.76
Total	733.10	189.05

23 Other Current Liabilities

₹ in Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Other Current Liability		
(a) Statutory remittances	2.97	4.11
(b) Defined Benefit Plan	1.95	0.09
(C) Other	0.02	-
Total	4.93	4.20

24 Provisions

₹ in Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Provision for Expenses	3.85	5.59
(a) Provision for Taxation	166.00	94.33
Total	169.85	99.92

Kavit Industries Limited
Notes To Consolidated Financial Statements For The Year Ended 31st March, 2020

25 Revenue from Operations

Particulars	For the Period ended 31 March, 2020	For the Period ended 31 March, 2019
Trading Sales	10,017.23	10,526.76
Web Developing Income	-	14.84
Total	10,017.23	10,541.60

26 Other Income

Particulars	For the Period ended 31 March, 2020	For the Period ended 31 March, 2019
(a) Interest Income	2.33	5.89
(b) Dividend Income	-	0.01
(c) Sundry Balance written off	395.41	263.06
(d) Miscellaneous Income	-	1.44
(e) Other non-operating income	-	10.00
(g) Rent Income	54.61	35.88
(h) Profit on sale of Shares	-	31.50
Total	452.36	347.78

**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, 2020	For the Period ended 31 March, 2019
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, 2020	For the Period ended 31 March, 2019
Trading Purchase	9,788.18	10,424.73
Purchase of Packing Material	4.53	23.85
Total	9,792.71	10,448.58

For Kavit Industries Limited

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

Particulars	For the Period ended 31 March, 2020	For the Period ended 31 March, 2019
<u>Inventory at the beginning of the year</u>		-
Finished Goods	77.65	52.41
Work in Progress	-	-
Sub Total (a)	77.65	52.41
<u>Inventory at the end of the year</u>		
Finished Goods	60.81	77.65
Work in Progress	-	-
Sub Total (b)	60.81	77.65
Total Changes in Finished good and Work in process	16.84	(25.24)

30 Employee Benefit expenses

Particulars	For the Period ended 31 March, 2020	For the Period ended 31 March, 2019
Salaries, wages , bonus, allowances ,etc.	24.68	43.49
Director's Remunerations	12.00	12.00
Gratuity Expenses	0.48	2.64
Provident Fund	-	1.27
Staff Welfare	0.06	0.38
Total	37.22	59.77

31 Finance Costs

Particulars	For the Period ended 31 March, 2020	For the Period ended 31 March, 2019
Interest expense	19.84	1.07
Bank Charges	1.05	0.67
Total	20.89	1.73

Kavit Industries Limited
Notes To Consolidated Financial Statements For The Year Ended 31st March, 2020

32 Other Expenses

Particulars	For the Period ended 31 March, 2020	For the Period ended 31 March, 2019
Advertisement Expenses	1.34	1.99
Audit Fees	2.97	3.37
Conveyance Expenses	1.08	3.40
Discount		0.42
Electricity Expenses	6.25	3.67
Factory Expense	1.86	0.20
Freight & Carting Charges	6.68	18.89
Insurance Expenses	0.19	0.16
Internet & Telephone Expense	1.41	2.10
Legal & Professional Fees	7.07	9.47
Other Misc Expenses	17.32	21.50
Office Building Maintenance Expenses	1.40	-
Office Expenses	0.34	0.05
Printing & Stationery Expenses	0.99	2.87
Prior Period Expenses	0.51	8.62
Rent, Rates & Taxes	15.98	31.72
Repairs & Maintenance	1.16	1.12
Bad Debts	-	35.01
Travelling Expenses	2.60	3.40
Website Exp	1.32	-
Security Exp	6.52	-
Total	69.15	147.95

For Kavit Industries Limited

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, 2020	March 31, 2019
Profit attributable to equity holders of the Company for basic and diluted earnings per share	346.97	156.48

ii. Weighted average number of ordinary shares

	March 31, 2020	March 31, 2019
Weighted average number of shares at March 31 for basic and diluted earnings per shares	61,933,333	61,933,333
Basic earnings per share (in ₹)	0.56	0.25

34 Additional information to the financial statements**(A) Contingent Liabilities and Capital Commitments**

₹ in Lakhs

Particulars	As at 31 March, 2020	As at 31 March, 2019
(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, 2020 ₹ NIL* (As at March 31, 2019 ₹ 32.53 lakhs)	2,184.41	2,342.56
(c) Commitments		
Estimated amount of contracts remaining to be executed on capital account & not provided for (Net of Advances)	-	-
* The Company has got the order from CIT Appeal in favour of the Company during the year but the department has made an appeal to appellate authority against the Company due to this the demand has been shown as contingent liabilities.		

(B) Auditor's Remuneration

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Audit Fees (Including for Quarterly limited review)	2.72	2.76
For Certification work	-	-
Fees for other services	-	0.90
Total	2.72	3.66

35 IMPAIRMENT

The Company has not found any indication of impairment of the assets as per Ind AS 38 and accordingly no further exercise for calculating impairment loss has been undertaken.

36 FAIR VALUE MEASUREMENTS

Financial instruments by category

	As at March 31, 2020			As at March 31, 2019		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Investments						
- Equity Instruments	-	0.52	-	-	0.52	-
Loans and Advances to related parties & others	-	-	5,256.48	-	-	5,398.49
Trade Receivables	-	-	15,343.83	-	-	15,147.90
Cash and Cash Equivalents	-	-	45.76	-	-	91.37
Bank Balances other than above	-	-	-	-	-	-
Other Financial Assets	-	-	695.77	-	-	740.16
Total Financial Assets	-	0.52	21,341.84	-	0.52	21,377.92
Financial Liabilities						
Borrowings	-	-	522.60	-	-	411.57
Other Current financial Liabilities	-	-	853.86	-	-	333.32
Trade Payables	-	-	12,961.10	-	-	14,111.45
Total Financial Liabilities	-	-	14,337.57	-	-	14,856.34

(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, 2020	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		-	-	-

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		-	-	-

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.

37 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. In determination of allowances for credit losses on trade receivables, the Company has used a practical expedience by computing the expected credit losses based on ageing matrix, which has taken into account historical credit loss experience and adjusted for forward looking information.

(ii) Cash and cash equivalents

As at the year end, the Company held cash and cash equivalents of ₹ 45.76 Lacs (31.03.2019 ₹ 91.37 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 Financials 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.

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, 2020			
Non-derivatives			
Borrowings	60.81	522.60	583.42
Other financial liabilities	733.10	120.77	853.86
Trade payables	4,610.89	8,350.21	12,961.10
Total Non-derivative liabilities	5,404.80	8,993.58	14,398.39
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

(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.

38 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, 2020	March 31, 2019
PVO at the beginning of the year	4.68	6.17
Current service cost	0.16	0.58
Interest cost	0.32	0.47
Actuarial (Gains)/Losses	(3.19)	(2.54)
Benefits paid	-	-
Accrued Payment	-	-
PVO at the end of the year	1.97	4.68
b) Change in fair value of plan assets:	Gratuity - Funded as on	
	March 31, 2020	March 31, 2019
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, 2020	March 31, 2019
PVO at the end of period	1.97	4.68
Fair value of planned assets at tend of year	-	-
Funded status	1.97	4.68
Net asset/(liability) recognised in the balance sheet	1.97	4.68
d) Net cost for the year ended:	Gratuity - Funded as on	
	March 31, 2020	March 31, 2019
Current service cost	0.16	0.58
Interest cost	0.32	0.47
Expected return on plan assets	-	-
Actuarial (Gains)/ Losses	(3.19)	(2.54)
Net cost	(2.71)	(1.49)
e) Amount recognised in Other Comprehensive Income	Gratuity - Funded as on	
	March 31, 2020	March 31, 2019
Actuarial (Gains)/ Losses	(3.19)	(2.54)

f) Major category of assets as at:	Gratuity - Funded as on	
	March 31, 2020	March 31, 2019
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, 2020	March 31, 2019
Discount rate (%)	6.80%	7.00%
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.

39 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 International 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 Kartikumar 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, 2020 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)	-	-	(426.96)
Inter Corporate Deposit Taken	-	-	-	-
	-	(14.50)	-	(14.50)
Loans Given	257.12	238.76	-	495.88
	(184.32)	(68.04)	(3.37)	(255.73)
Loan Given received back	393.18	415.35	-	808.53
	(409.96)	(161.32)	3.37	(567.91)
Remuneration to Director	-	-	12.00	12.00
	-	-	(12.00)	(12.00)
Salary Expenses	-	-	-	-
	-	-	(4.80)	(4.80)
Balance outstanding at the year end:				
Account Payable	-	-	-	-
	(4.84)	-	-	(4.84)
Account Receivable	-	-	-	-
	(8.14)	-	-	(8.14)
Loan Payable Outstanding	-	121.96	-	121.96
	-	(90.36)	-	(90.36)
Loan Receivable Outstanding	122.03	157.23	-	279.26
	(263.38)	(238.63)	-	(502.01)

For Kavit Industries Limited

40 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.

41 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 principle geographical areas in which the Company operates is India.

42 The Company has identified list of the Trade Receivables and Payables, the credit of the parties have been impaired and balances which are either receivable or payable to the parties are written off, the net impact of the same is credited to Profit & Loss

Also, the Company has entered into debt settlement agreement with one of the Trade Payable to whom the company was indebted Rs. 1167.80 Lakhs. As per this agreement the Company needs to pay Rs. 1000.00 Lakhs only and the balance would be waived off, and one

43 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, the 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.

- 44 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.
- 45 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, 16th July, 2020

Jayesh Thakkar
Managing director
DIN - 01631093

Kartik Mistry
Director
DIN - 07791008

Bhavesh Desai
CFO

Mikil Gohil
Company Secretary

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 Trading Private Limited (Formerly Kavit Infoline Private Limited)	Subsidiary	70%
3	Kavit Infra Projects Private Limited	Subsidiary	80%
4	Kavit Swachh Organic Food Private Limited	Subsidiary	60%

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.
- 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.
- vi. **Uncertainty relating to the global health pandemic on COVID-19**
In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, goodwill, intangible assets, and certain investments, the Company has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used herein. Based on the current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets.

The Company basis its assessment believes that the probability of the occurrence of forecasted transactions is not impacted by COVID-19. The Company has also considered the effect of changes, if any, in both counterparty credits risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness and continues to believe that there is no impact on effectiveness of its hedges.

The impact of COVID-19 remains uncertain and may be different from what we have estimated as of the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

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 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.

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.

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:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue from the sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on the delivery of the goods. Revenue is recognisable to the extent of the amount that reflects the consideration (i.e. the transaction price) to which the Company is expected to be entitled in exchange for those goods or services excluding any amount received on behalf of third party (such as indirect taxes).

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.

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.

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:

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

(A) Lease Liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using incremental borrowing rate.

(B) Right-of-use assets

Initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

Subsequent measurement

(A) Lease Liability

Company measure the lease liability by (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) remeasuring the carrying amount to reflect any reassessment or lease modifications.

(B) Right-of-use assets

Subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the underlying asset.

Impairment

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Short term Lease

Short term lease is that, at the commencement date, has a lease term of 12 months or less. A lease that contains a purchase option is not a short-term lease. If the company elected to apply short term lease, the lessee shall recognise the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis. The lessee shall apply another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

As a lessor

Leases for which the company is a lessor is classified as a finance or operating lease. Whenever, the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Lease income is recognised in the statement of profit and loss on straight line basis over the lease term.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning 1st April, 2019 and applied the standard prospectively to its 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.

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:

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

Tundav Anjesar Road, Village : Tundav, Tal. : Savli, Dist.: Vadodara - 391 775.

Phone: +91-265-2361100, 2362200. E-Mail : info@kavitindustries.in, kavitindustrieslimited@gmail.com , web: www.kavitindustries.in**ATTENDANCE SLIP**

(to be presented at the entrance)

ANNUAL GENERAL MEETING ON MONDAY, NOVEMBER 30, 2020 AT 11:00 A.M.

at Tundav Anjesar Road, Village : Tundav, Tal. : Savli, Dist.: Vadodara-391 775

Folio No. _____ DP ID No. _____ Client ID No. _____ Name
 of the Member _____ Signature: _____ Name
 of the Proxy holder _____ Signature _____

1. Only Member/Proxy holder can attend the Meeting.

2. Member/Proxy holder should bring his/her copy of the Annual Report for reference at the Meeting

.....✂.....

Kavit Industries Limited

Tundav Anjesar Road, Village : Tundav, Tal. : Savli, Dist.: Vadodara - 391 775.

Phone: +91-265-2361100, 2362200. E-Mail : info@kavitindustries.in, 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 Monday, November 30, 2020 at 11:00 a.m. at Tundav Anjesar Road, Village : Tundav, Tal. : Savli, Dist.: Vadodara-391 775 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, 2020 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 write off long outstanding Sundry Creditors and Sundry Debtors balances

Special Business

4. To appoint Mrs. Payal Gajjar (DIN: 08745777) as a Director liable to retire by rotation
5. To approve increase in Remuneration of Mr. Jayesh R. Thakkar, Chairman & Managing Director of the Company
6. To approve Change of Name of the Company from Kavit Industries Limited to Evexia Lifecare Limited

Affix
Re. 1
revenue
stamp

Signed this _____ day of _____, 2020

Signature of shareholder..... Signature of Proxy holder(s).....

NOTES:

1. This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at Tundav Anjesar Road, 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.