

8<sup>th</sup> ANNUAL REPORT

2012-13



**KAVITA FABRICS LIMITED**



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### **Board of Directors**

• Mr. Harish Chandak	Chairman and Managing Director
• Mr. Shailesh Chandak	Executive Director
• Mrs. Sarika Chandak	Executive Director
• Mr. Govindlal Saboo	Independent Director
• Mr. Nitin Maheshwari	Independent Director
• Mr. Kishan Kumar Sarda	Independent Director

### **Bankers**

Kotak Mahindra Bank

### **Statutory Auditors**

Sanjay Maheshwari & Associates, Chartered Accountants

### **Registrar And Transfer Agent**

Bigshare Services Private Limited

### **Registered Office**

105, Balaji Industrial Society - 1,  
Udhna Magdalla Road, Surat – 395007, Gujarat, India.  
Tel: +91 – 261 – 3018759 Fax: +91 - 261- 3018759  
Email: [info@kavitafabrics.com](mailto:info@kavitafabrics.com). Website: [www.kavitafabrics.com](http://www.kavitafabrics.com)



## **NOTICE TO SHAREHOLDERS**

NOTICE is hereby given that the 8th Annual General Meeting of the Members of M/s. KAVITA FABRICS LIMITED will be held on 25th September, 2013 at 1:00 p.m. at 105, Balaji Industrial Society - 1, Udhna Magdalla Road, Surat – 395007, Gujarat to transact the following business:

### **ORDINARY BUSINESS**

1. To Consider and adopt the Balance Sheet as at 31<sup>st</sup> March 2013, and the Statement of Profit & Loss for the year ended 31<sup>st</sup> March 2013, along with the report of the Board of Directors and Auditors thereon.
2. To appoint Auditors to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration.
3. To appoint a director in place of Mr. Shailesh Chandak, who retires by rotation and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS**

4. To regularize Mr. Govindlal Saboo as director on the Board of the Company.

To consider and if thought fit, pass, with or without modification(s), following resolution as an “Ordinary Resolution”.

“RESOLVED THAT Mr. Govindlal Saboo, who was appointed as an Additional Director of the company w.e.f. 10<sup>th</sup> October, 2012 and who holds the said office until the date of this meeting in terms of Section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 , proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation”.

“RESOLVED FURTHER THAT the Board of Directors be and hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary or desirable in such manner as it deem fit in this regard to give effect to this resolution”.

5. To regularize Mr. Nitin Maheshwari as director on the Board of the Company.

To consider and if thought fit, pass, with or without modification(s), following resolution as an “Ordinary Resolution”.

“RESOLVED THAT Mr. Nitin Maheshwari, who was appointed as an Additional Director of the company w.e.f. 10<sup>th</sup> October, 2012 and who holds the said office until the date of this meeting in terms of Section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 , proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation”.

“RESOLVED FURTHER THAT the Board of Directors be and hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary or desirable in such manner as it deem fit in this regard to give effect to this resolution”.



6. To regularize Mr. Kishan Kumar Sardas as director on the Board of the Company.

To consider and if thought fit, pass, with or without modification(s), following resolution as an “Ordinary Resolution”.

“RESOLVED THAT Mr. Kishan Kumar Sardas, who was appointed as an Additional Director of the company w.e.f. 10<sup>th</sup> October, 2012 and who holds the said office until the date of this meeting in terms of Section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing from a member under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation”.

“RESOLVED FURTHER THAT the Board of Directors be and hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary or desirable in such manner as it deem fit in this regard to give effect to this resolution”.

**NOTES:**

1. A member who is entitled to attend and vote at the annual general meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
2. A proxy form in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the scheduled commencement of the meeting. A blank proxy form is sent herewith.
3. The register of members and share transfer books of the Company will remain closed from 23<sup>th</sup> September, 2013 to 25<sup>th</sup> September, 2013 (both days inclusive).
4. The Shareholders are requested to notify their change of address immediately to the Registrar & Share Transfer Agent – Bigshare Services Private Limited. The Company or its Registrar and Share Transfer Agent will not act on any request received directly from the shareholder holding shares in electronic form for any change of bank particulars or bank mandate. Such changes are to be advised only to the Depository Participant by the Shareholders.
5. Section 109A of the Companies Act, 1956 extends nomination facility to all shareholders. They may like to avail it.
6. Equity shares of the Company are under compulsory demat trading by all investors. Those shareholders who have not dematerialized their equity shares are advised to dematerialize their shareholding, to avoid inconvenience in future.
7. Members intending to seek explanation / clarification about the Accounts at the Annual General Meeting are requested to inform the Company at least a week in advance of their intention to do so, so that relevant information may be made available, if the Chairman permits such information to be furnished.
8. Members are requested to intimate their Email IDs for correspondence and quicker response to their queries.



9. Re-appointment of Directors: At the ensuing Annual General Meeting Mr. Shailesh Chandak, liable for retire by rotation, and being eligible, offer herself for reappointment. The details pertaining to these directors required to be provided pursuant to Clause 52 of the listing agreement are furnished as annexure to this notice.
10. The Securities and Exchange Board of India (SEBI) has recently, vide its Circular No. MRD/DoP/Cir-05/2009 dated 20th May, 2009, made it mandatory to submit Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant with whom they are maintaining their demat accounts. Member holding shares in physical form can submit their PAN details to the Company. The Company has an Email Id. i.e info@kavitafabrics.com, which is being used for the purpose of redressing the complaints of the investors.

**BY ORDER OF THE BOARD  
FOR KAVITA FABRICS LIMITED,**

Sd/-  
**HARISH CHANDAK**  
(Chairman & Managing Director)  
Place: Surat  
Date: 22<sup>nd</sup> August, 2013

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE  
COMPANIES ACT, 1956**

**ITEM No. 4**

Mr. Govindlal Saboo was appointed as an Additional Director on the Board of the Company with effect from 10th October, 2012 and as such he holds his office till the date of the ensuing Annual General Meeting.

The Company has received a Notice from a shareholder proposing his name for appointment as Director of the Company liable to retire by rotation in terms of Section 257 of the Companies Act, 1956. Accordingly, a resolution is placed before the Members for his appointment for approval of the Members.

Your Directors recommend his appointment, as Director liable to retire by rotation, for the approval of Members. Apart from Mr. Govindlal Saboo, no other Director is interested in the resolution.

**ITEM No. 5**

Mr. Nitin Maheshwari was appointed as an Additional Director on the Board of the Company with effect from 10th October, 2012 and as such he holds his office till the date of the ensuing Annual General Meeting.



The Company has received a Notice from a shareholder proposing his name for appointment as Director of the Company liable to retire by rotation in terms of Section 257 of the Companies Act, 1956. Accordingly, a resolution is placed before the Members for his appointment for approval of the Members.

Your Directors recommend his appointment, as Director liable to retire by rotation, for the approval of Members. Apart from Mr. Nitin Maheshwari, no other Director is interested in the resolution.

**ITEM No. 6**

Mr. Kishan Kumar Sarda was appointed as an Additional Director on the Board of the Company with effect from 10th October, 2012 and as such he holds his office till the date of the ensuing Annual General Meeting.

The Company has received a Notice from a shareholder proposing his name for appointment as Director of the Company liable to retire by rotation in terms of Section 257 of the Companies Act, 1956. Accordingly, a resolution is placed before the Members for his appointment for approval of the Members.

Your Directors recommend his appointment, as Director liable to retire by rotation, for the approval of Members. Apart from Mr. Kishan Kumar Sarda, no other Director is interested in the resolution.

Pursuant to clause 52 of the listing agreement, the details of the directors seeking appointment / reappointment at the Meeting are as follows:

<b>Name of Director</b>	<b>Mr. Govindlal Saboo</b>	<b>Mr. Nitin Maheshwari</b>	<b>Mr. Kishan Kumar Sarda</b>	<b>Mr. Shailesh Chandak</b>
<b>Age</b>	71 Years	28 Years	42 Years	33 Years
<b>Profile &amp; Experience</b>	Bachelors in Science from Rajasthan University, over 5 decades of entrepreneurial experience	Practicing Chartered Accountant having vast experience in accounts, audits, taxation and company law matters	Commerce graduate, associated with the textile industry since 1990	Done commerce graduation from Andhra University, Associated with Textile Industry since 2001
<b>Details of directorship held in other Company</b>	NIL	NIL	NIL	NIL
<b>Details of Chairmanship/ Membership held in other Companies</b>	NIL	NIL	NIL	NIL
<b>Shareholding in the Company as on the date of notice</b>	NIL	NIL	NIL	85334 Shares



## **DIRECTORS REPORT**

**To,**

**The Shareholders,**

Your Directors have pleasure in presenting the 8<sup>th</sup> Annual Report of your Company along with the Audited Statement of Accounts for the Period ended 31<sup>st</sup> March, 2013.

**Financial Highlights :**

<b>Particulars</b>	<b>Year Ending March,</b>	<b>Year Ending March,</b>
	<b>2013</b>	<b>2012</b>
	<b>Amt. in Rs.</b>	<b>Amt. in Rs.</b>
Sales	5,71,24,516	3,12,82,902
Other Income	2,03,110	
<b>Total Income</b>	<b>5,73,27,626</b>	<b>3,12,82,902</b>
Less:Expenditure	5,41,95,882	2,97,78,152
<b>Profit/(Loss) before Interest,Depreciation &amp; Tax</b>	<b>31,31,744</b>	<b>15,04,750</b>
Less:Interest	8,43,569	3,77,273
:Depreciation And Amortization Cost	8,15,483	1,05,845
<b>Profit/(Loss) before Tax</b>	<b>14,72,692</b>	<b>10,21,632</b>
Tax Expense	5,03,473	3,00,826
<b>Profit/(Loss) after Tax</b>	<b>9,69,219</b>	<b>7,20,806</b>
Add:Profit/(Loss) Brought Forward	7,72,193	4,95,895
Less: Tax on Regular Assessment		(1,04,488)
Less: Issue of Bonus Shares		(3,40,020)
Amount available for Appropriation/(Loss)	17,41,411	7,72,193

### **Results of Operation Review:**

During the current period of operation, your company has shown a marked improvement as turnover has increased more than 82% in FY 2012-13 from ₹ 312.83 Lakhs during FY 2011-12 to ₹ 571.25 Lakhs during FY 2012-13. Profit after Tax of the company has increased to ₹ 9.69 Lakhs during FY 2012-13 as compared to ₹ 7.20 Lakhs during FY 2011-12.

### **Listing of Equity Share on SME Segment of BSE**

Your Directors are pleased to inform you that your company has got its equity shares listed on SME platform of BSE Limited on 12th of March, 2013.

### **Dividends:**

The Company has decided to sustain the growth in line with the long term growth objectives of the Company by retaining the profits and utilizing the same for opportunities in hand.

### **Personnel:**



During the year the company did not have any Employee covered under section 217 (2A) of the Companies Act, 1956 read with the Companies ( Particulars of Employees ) Rules, 1975 and therefore no particulars are required to be furnished.

Your Company's work force and management have been working with mutual respect, co-operation and understanding. The Board wishes to appreciate the efforts put in by all the categories of employees towards the progress achieved by the Company during the year.

**Directors:**

The Board of Directors is experienced in their respective fields.

**Auditors:**

The Auditors M/s. Sanjay Maheshwari & Associates, Chartered Accountants, Retire at the fourth coming General Meeting and being eligible for re-appointment, the Company has received a certificate from the auditors to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act 1956.

**Public Deposits:**

The company has not accepted any deposit within the meaning of the section 58A of the Companies Act, 1956.

**Fixed Deposits:**

The company has not accepted any deposit within the meaning of the section 58A of the Companies Act, 1956.

**Management Discussion And Analysis Report:**

As required under Clause 52 of the Listing Agreement with the Stock Exchanges, the Management Discussion and Analysis of the financial condition and results of consolidated operations of the Company under review, is annexed and forms an integral part of the Director's Report.

**Conservation Of Energy, Technology Absorption, Foreign Exchange Earnings And Outgo:**

The information pursuant to section 217(1) (e) of the Companies (Disclosures of Particulars in the report of Board of Directors) Rules, 1988 is as under;

A. Conservation Of Energy	:		
<b><u>Power Consumption</u></b>		<b><u>2012-13</u></b>	<b><u>2011-12</u></b>
Electricity Consumption (in units)		162503	63,220
Total Amount (in ₹)		996046/-	3, 61,806/-
Rate/Unit (in ₹)		6.13/-	5.72/-

The company has been continuously attempting to create a conscious awareness against excessive consumption and wastage at all levels.





<b><u>Consumption per unit of Production</u></b>	<b><u>2012-13</u></b>	<b><u>2011-12</u></b>
Total Amount (in ₹)	996046/-	3, 61,806/-
Total Production (in mts.)	2,65,776	1, 11,370
Rate/Kgs. (in ₹)	3.75/-	3.25/-

**B. Technology Absorption, Research & Development:**

The company has incurred expenditure towards quality management, quality control, and to improve the production capacity. The company has also undertaken cost reduction and cost reduction and cost control program to manage and reduce the cost of production.

C. Foreign Exchange Earning / Outgo : Nil.

**Re-appointment of Directors:**

In accordance with Section 255 and 256 of the Companies Act, 1956 read with the Articles of Association of the Company, Mr. Shailesh Chandak, retire by rotation and are being eligible offer himself for reappointment at the ensuing Annual General Meeting.

Based on the confirmations received from Directors, none of the Directors are disqualified from appointment under Section 274(1)(g) of the Companies Act, 1956.

**Corporate Governance:**

A report on Corporate Governance along with a Certificate from the Auditors of the Company regarding the compliance with conditions of Corporate Governance as also the Management Discussion and Analysis Report as stipulated under Clause 52 of the Listing Agreement are annexed to this Report.

**Directors' Responsibility Statement:**

Pursuant to the requirements of the provisions of Section 217(2AA) of the Companies Act, 1956, you're Director Confirms as under:

i) That in the preparation of the annual accounts the applicable accounting standards has been followed along with proper explanation relation to material departure;

ii) That the directors have selected such accounting policies and applied them consistently and made judgments and estimates, that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year viz., March 31, 2013 and of the profit of the Company for the year ended on that date;

iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detaching fraud and other irregularities;

iv) That the directors have prepared the annual accounts on going concern basis.

**Acknowledgements:**

The Directors wish to thank and deeply acknowledge the co-operation, assistance and support extended by the Government Authorities, Company's Bankers, Dealers, Vendors, Customers, Suppliers, Shareholders



and other who have supported the company during its difficult time and hope to receive their continued support.

The Directors also wish to place on record their appreciation for the all round co-operation and contribution made by employees at all levels.

**For and on behalf of the Board  
Kavita Fabrics Limited**

**Place: Surat**

**Date: 22<sup>nd</sup> August, 2013**

**Harish Chandak  
(Chairman & Managing Director)**

**Shailesh Chandak  
(Executive Director)**



## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Overview:**

The company manufactures synthetic fabrics in the form of semi-finished sarees and dress materials. These products are offered in various designs as per customer requirements. Semi-finished sarees and dress materials manufactured by the Company are further processed by our customers before selling to the end-users. The main raw material for our product is man-made yarn, which is sourced from local markets. The Company based on its experience and its standards, conforms to major specifications and customer requirements.

### **Industry, Structure & Developments:**

The man-made fibre textile industry is one of the largest organized industries in the country in terms of employment and number of units. Besides, there are a large number of subsidiary industries dependent on this sector, such as those manufacturing machinery, accessories, stores, ancillaries, dyes and chemicals.

Surat is known as the textile city of Gujarat. The textile industry is one of the oldest and the most widespread industries in Surat. A major part of the city's population is associated with the textile industry. The textile industry in Surat is mainly engaged in the activities of yarn production, weaving, processing as well as embroidery. Surat is well known for its synthetic products market. It is mainly engaged in the production and trading of synthetic textile products. Nearly 30 million metres of raw fabric and 25 million metres of processed fabric are produced in Surat daily. The city has several textile markets that exist since times immemorial. Zampa Bazaar, Bombay Market, JJ Textile Market and Jash Market are among them. Katat Gam, Magdalla and Udhana are the areas in Surat where manufacturing is mainly concentrated. In the course of time, people from various other places like Rajasthan and Kolkata have settled in Surat in order to carry out their textile business. The famous brands of Garden and Vimal textiles evolved from Surat. A few other brands like Parag and Prafful from Surat became famous within a short time. The main market for Surat's textile products are India and other Asian countries. Around 90% of polyester used in India comes from Surat. The Middle East is the major export market for Surat's textile products. The Surat textile industry has grown considerably over time. As per recent figures, textile production in Surat has grown by 10% in the last 5 years, while the market for embroidery has grown from an almost negligible amount to around Rs. 30,000 million over the same period. One of the main reasons behind the growth of Surat's textile industry is the city's ability to adapt to changes and the latest trends. The city is quick to respond to any changes in the preference of people. The industrialists here have strong entrepreneurial skills.

### **Operational Performance**

During the current period of operation, your company has shown a marked improvement as turnover has increased more than 82% in FY 2012-13 from ₹ 312.83 Lakhs during FY 2011-12 to ₹ 571.25 Lakhs during FY 2012-13. Profit after Tax of the company has increased to ₹ 9.69 Lakhs during FY 2012-13 as compared to ₹ 7.20 Lakhs during FY 2011-12.

### **Outlook**

Indian economy is adversely affected by persistent inflation over the last few years. The rising incomes propped the purchasing power of the population, driving consumption demand in sectors, where supply lagged particularly, in food-grain and non-food-grain commodities, Sharp increase in international prices of fuels also contributed to inflationary pressure. The Government has been going very slow on various reforms, expected by large investors and market. Market participants were particularly concerned about subsidies—fertilizer, food and fuel; falling rupee against dollar; widening current account and fiscal deficits.



Net Buys by the Foreign Institutional investors have been declining during the year as compared to these of the earlier years. Economic situations in Euro Zone countries and other priced the Capital Market towards losses.

### **Risk & Concerns**

The largest component of costs involved in making Synthetic Fabric is attributable to raw materials. Given the volatile trend in Fabrics and demand for Fabrics for competing applications the pressure on input costs can be expected to fluctuate.

### **Adequacy of Internal Control System**

The Company has adequate internal control systems for the business processes in respect of all operations, financial reporting, compliance with laws and regulations etc. The management information system forms an effective and sound tool for monitoring and controlling all operating parameters. Regular internal audits ensure that responsibilities are executed effectively. The Audit Committee reviews the adequacy of internal controls on regular basis.

### **Human Resource Development**

The Company recognizes that its human resource is its strength in realizing its goals and objectives.

### **Cautionary Statement**

The Statement in this Management Discussion and Analysis report, describing the Company's outlook, projections, estimates, expectations or predictions may be "Forward looking Statements" within the meaning of applicable securities laws or regulations. Actual results could differ materially from those expressed or implied.



## Corporate Governance Report

### Corporate Governance

The Company is fully compliant with the mandatory requirements of Clause 52 of the Listing Agreement formulated by Securities and Exchange Board of India and Stock Exchanges. The Company presents its report on compliance of governance conditions specified in Clause 52 of the Listing Agreement.

#### 1. Company's Philosophy On Code of Governance

Your Company believes that Corporate Governance is powerful medium to sub serve the long-term interest of all the shareholders, creditors, customers, employees and other stakeholders. Corporate Governance strengthens Investors and Creditors trust and ensures a long-term partnership that helps in fulfilling our quest for achieving significant growth and profits. Your Company is committed to benchmarking itself with good governance and operates with transparency, professionalism, good conduct and value based systems.

#### 2. Board Of Directors

The Board of Directors along with its Committees provide leadership and guidance to the Company's management and direct, supervises and controls the performance of the Company. The present strength of Board of Directors is 6 (Six), whose composition and category is given below:

Three - Promoter, Executive Directors

Three - Independent Directors

#### A) The Constitution of the Board as on March 31, 2013

The Composition of the Board of Directors and also the number of other Board of Directors or Board Committees of which they are member/ Chairman are given below:

Sr. No.	Directors	Category	No. of Other Directorship		No. of Other Committee positions	
			Public	Private	Member	Chairman
1	Mr. Harish Chandak	Chairman & Managing Director	0	0	1	0
2	Mr. Shailesh Chandak	Executive Director	0	0	2	1
3	Mrs. Sarika Chandak	Promoter, Executive Director	0	0	0	0
4	Mr. Nitin Maheshwari	Independent Director	0	0	2	2
5	Mr. Govindlal Saboo	Independent Director	0	0	1	0
6	Mr. Kishan Kumar Sarda	Independent Director	0	0	2	1

None of the Directors is a member in more than ten committees and acts as chairman in more than 5 committees across all the companies in which he is a Director.

#### B) Board Procedure

The Directors of the Company are informed about the Agenda of the Board Meetings and Committee Meetings, containing relevant information / supporting data, as required well in advance, to enable the Board to take decision. Statutory Auditors are also requested to attend the Board or Committee meeting as and when required. Matters discussed at Board Meeting generally relate to Company's performance, quarterly results of the Company, approval of related-party transactions, general notice of interest of Directors, review of the reports of the Audit Committee and compliance with their recommendation, suggestion, compliance of any regulatory, statutory or listing requirements, etc.



**(C) Attendance of each Director at the Board Meetings and the last Annual General Meeting:**

Sr. No.	Name of the Directors	Category of Directorship	No. of Board Meeting Attended	Attendance at the Last AGM held on 26.09.2012
1	Mr. Harish Chandak	Chairman & Managing Director	20	Present
2	Mr. Shailesh Chandak	Promoter, Executive Director	20	Present
3	Mrs. Sarika Chandak	Promoter, Executive Director	19	Present
4	Mr. Nitin Maheshwari	Non- Executive Director	11	Not Applicable
5	Mr. Govindlal Saboo	Non- Executive Director	12	Not Applicable
6	Mr. Kishan Kumar Sarda	Non- Executive Director	11	Not Applicable

During the Financial Year 2012-13, Twenty Two Meetings of the Board of Directors were held on the following dates:

1<sup>st</sup> April 2012, 2<sup>nd</sup> July 2012, 25<sup>th</sup> July 2012, 27<sup>th</sup> July 2012, 8<sup>th</sup> August 2012, 20<sup>th</sup> August 2012, 31<sup>st</sup> August 2012, 1<sup>st</sup> September 2012, 1<sup>st</sup> October 2012, 10<sup>th</sup> October 2012, 20<sup>th</sup> October 2012, 20<sup>th</sup> November 2012, 24<sup>th</sup> November 2012, 10<sup>th</sup> December 2012, 24<sup>th</sup> December 2012, 7<sup>th</sup> January 2013, 2<sup>nd</sup> February 2013, 4<sup>th</sup> February 2013, 6<sup>th</sup> February 2013, 19<sup>th</sup> February 2013, 6<sup>th</sup> March 2013, 9<sup>th</sup> March 2013.

**(D) Directors Seeking Appointment / Reappointment:**

The brief particulars of the Director of the company, being eligible for re-appointment as Directors, retiring by rotation at the ensuing Annual General Meeting is as follows:

Mr. Shailesh Chandak retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

**3. Committees of the board:**

**A. Audit Committee**

Our Company has constituted an Audit Committee, as per the provisions of Section 292A of the Companies Act. The committee functions as prescribed under Section 292A of the Companies Act, 1956 and Clause 52 of the listing agreement. The members of the committee at present are:

Name of Director	Designation in Committee	Nature of Directorship
Mr. Nitin Maheshwari	Chairman	Non-Executive and Independent
Mr. Kishan Kumar Sarda	Member	Non-Executive and Independent
Mr. Shailesh Chandak	Member	Executive Director

During the year ended 31st March, 2013, 1 Audit Committee Meeting was held.

**Terms of reference of the Audit Committee are broadly defined as under:**

The Committee's terms of reference powers, role and functions are as stipulated in Clause 52 of the Listing Agreement and under Section 292 A of the Companies Act, 1956.

**B. Shareholders'/ Investors' Grievance Committee**

Our Company has constituted a Shareholders'/Investors' Grievance Committee. The committee is formed to specifically look into the redressal of shareholder and investor complaints. The members of the committee at present are:



Name of Director	Designation in Committee	Nature of Directorship
Mr. Kishan Kumar Sarda	Chairman	Non-Executive and Independent
Mr. Nitin Maheshwari	Member	Non-Executive and Independent
Mr. Shailesh Chandak	Member	Executive Director

**The terms of reference of the Shareholders'/ Investors' Grievance Committee shall be as follows:**

- Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.
- Issue of duplicate / split / consolidated share certificates;
- Allotment and listing of shares;
- Review of cases for refusal of transfer / transmission of shares and debentures;
- Reference to statutory and regulatory authorities regarding investor grievances;
- And to otherwise ensure proper and timely attendance and redressal of investor queries and grievances.

**Name, Designation and address of the Compliance Officer:**

**Mr. Amit Merai**

105, Balaji Industrial Society - 1,  
Udhna Magdalla Road,  
Surat – 395007, Gujarat, India  
Tel: +91 – 261 – 3018 759 Fax: +91 – 261 - 3018 759  
Email: [info@kavitafabrics.com](mailto:info@kavitafabrics.com) Website: [www.kavitafabrics.com](http://www.kavitafabrics.com)

**Status of Complaints received, resolved and pending as on 31st March, 2013**

Number of Shareholders' Complaints received during the year	Nil
Number of Shareholders' Complaints resolved during the year	Nil
Number of Shareholders' Complaints Pending at the end of the year	Nil

**C. Remuneration / Compensation Committee**

Our Company has constituted a Remuneration/ Compensation Committee. The constitution of the Remuneration Compensation committee was approved by a Meeting of the Board of Directors held on November 24, 2012. The said committee is comprised as under:

Name of Director	Designation in Committee	Nature of Directorship
Mr. Nitin Maheshwari	Chairman	Non-Executive and Independent
Mr. Kishan Kumar Sarda	Member	Non-Executive and Independent
Mr. Govindlal Saboo	Member	Non-Executive and Independent

**The terms of reference of the compensation committee are:**

- To recommend to the Board, the remuneration packages of the Company's Managing/Joint Managing/ Deputy Managing/ Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.)



- To be authorized at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Company's Managing/Joint Managing/ Deputy Managing/ Whole time/ Executive Directors, including pension rights and any compensation payment.

During the year ended 31st March, 2013, 1 Remuneration Committee Meeting was held.

#### D. IPO Committee

Our Company had constituted an IPO Committee. The said committee was so formed to cater to the smooth functioning of the IPO process. The said committee is comprised as under:

Name of Director	Designation in Committee	Nature of Directorship
Mr. Shailesh Chandak	Chairman	Executive Director
Mr. Harish Chandak	Member	Managing Director
Mr. Nitin Maheshwari	Member	Non-Executive & Independent

#### Policy on Disclosure and Internal procedure for prevention of Insider Trading

Mr. Amit Merai, Compliance Officer is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

#### 4. General Body Meetings:

The details of date, time and location of annual general meetings held in the last three years are as under :-

Year	Date of AGM	Day	Time	Venue
2011-12	26.09.2012	Wednesday	05:00 PM	105, Balaji Industrial Society -1, Udhna Magdalla Road, Surat-395007, Gujarat, India
2010-11	30.09.2011	Friday	05:00 PM	105, Balaji Industrial Society -1, Udhna Magdalla Road, Surat-395007, Gujarat, India
2009-10	30.09.2010	Thursday	11:00 AM	105, Balaji Industrial Society -1, Udhna Magdalla Road, Surat-395007, Gujarat, India

No. of Special resolutions passed during the last three AGM's :-

AGM	No. of Special Resolution
2011-12	NIL
2010-11	NIL
2009-10	NIL

Postal Ballot:-

At ensuring annual general meeting, there is no resolution proposed to be passed through postal ballot.

#### 5. Disclosures:

##### a) Related Party Transaction:

The Company had not entered into any transaction of a material nature, which will have a conflict with its interest during the year. The disclosure of related party transactions as required by the Accounting Standard (AS) 18 on 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India (ICAI) is given under Note No. 20 of





Notes to the Financial Statements. All the transaction covered under related party transaction were fair, transparent and at arm's length.

**b) Statutory Compliance, Penalties and Strictures:**

The Company has complied with all the requirements of the listing agreements with the stock exchanges as well as regulations and guidelines of SEBI. No penalties have been imposed or stricture has been issued by SEBI, stock exchanges or any Statutory Authorities on matters relating to capital markets during the last three years.

The Company has followed all relevant accounting standards notified by the Companies Accounting Standards Rules 2006 and relevant provisions of the Companies Act, 1956 while preparing its financial statements.

**c) Whistle Blower Policy:**

The Company has framed a Code of Conduct for Directors and Senior Management. At present, the Company does not have any formal Whistle Blower Policy.

**d) Proceeds from the Initial Public Offer of the Company:**

The Details about the utilization of the proceeds raised through Initial Public Offer of equity shares of the Company are disclosed to the Audit Committee. The Company has not utilized these funds for the purposes other than those mentioned in the Prospectus of the Company.

**e) Reconciliation of Share Capital Audit:**

In line with the requirements stipulated by Securities and Exchange Board of India (SEBI), Reconciliation of Share Capital Audit is carried out on a quarterly basis by a Practicing Company Secretary to confirm that the aggregate number of equity shares of the Company held in National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and in physical form tally with the total number of issued, paid-up, listed and admitted capital of the Company.

**f) Status of Compliance with non-mandatory requirements:**

**i. The Board:**

No separate office for the Chairman is maintained, and hence no reimbursement is made towards the same. No Specific tenure has been specified for the Independent Director. However, they are liable to retire by rotation and seek re-appointment by the Members.

**ii. Remuneration Committee:**

Details regarding Remuneration Committee are provided and forms part of this report.

**iii. Shareholders' Right:**

The Company has posted its half yearly and annual financial results on its website i.e. [www.kavitafabrics.com](http://www.kavitafabrics.com)

**iv. Audit Qualification:**

There are no audit qualifications in the financial statements for the financial year 2012-13. Standard practices and procedures are followed to ensure unqualified financial statements..

**v. Mechanism for evaluating Non-Executive Board Members:**

The Company presently does not have any formal mechanism for evaluating Non-Executive Board Members.

**vi. Whistle Blower Policy:**

At present, the Company does not have any formal Whistle Blower Policy.

**6. Means of Communications:**

The half yearly and annual results are communicated to all the Stock Exchanges where the Company's shares are listed as soon as the same are approved and taken on record by the Board of Directors of the Company. Further the results are not sent individually to the shareholders.

These results are simultaneously posted on the website for the Company at [www.kavitafabrics.com](http://www.kavitafabrics.com).



## 7. Code of Conduct:

The Board of Director has adopted the Code of Business Conduct and Ethics for Director and Senior Management. The said Code has been communicated to the Directors and members of the Senior Management.

## 8. General Shareholders Information:

a)	Annual General Meeting	
	(1) Date and Time	25 <sup>th</sup> September, 2013 At 1:00 pm
	(2) Venue	105, Balaji Industrial Society -1, Udhna Magdalla Road, Surat – 395007, Gujarat, India
b)	Financial Year	The Financial Year of the Company is from 1st April to 31st March of the following year.
c)	Book Closure Date	22 <sup>nd</sup> September 2013 to 25 <sup>th</sup> September 2013
d)	Listing on stock exchange	SME Platform of BSE Limited
e)	Scrip Code	535136
f)	NSDL/CDSL - ISIN	INE149001018
g)	CIN Number	L17110GJ2005PLC046929
h)	Registrar and Share Transfer Agent	<b>BIGSHARES SERVICES PRIVATE LIMITED</b> E-2 Ansa Industrial Estate, Sakivihar Road Saki Naka, Andheri (East), Mumbai –400 072

## 9. Stock Market Data:

Month	The Month High and Low Prices during the year at Bombay Stock Exchange	
	High ₹	Low ₹
March, 2013	42.75	39.10

## 10. Share holding pattern as on 31.03.2013

Sr. No.	Category	No. of Shares	% (Percentage)
1	Promoters ( Including Promoters Body Corporate )	1247902	35.93
2	Body Corporate	2045000	58.88
3	Resident Individuals and HUF	180000	5.18
	TOTAL	3472902	100.00

## 11. Distribution of Shareholding as on 31.03.2013

No. of Shares held	No. of Shareholders	%	No. of Shares	% of Total
1 to 5000	38	64.40	105300	3.02
5001 to 10000	4	6.78	24000	0.69
10001 to 20000	4	6.78	51000	1.46
20001 to 50000	2	3.39	48000	1.38
50001 to 100000	4	6.78	262334	7.55
100001 onwards	7	11.86	2982268	85.87

## 12. Share Transfer System:



Trading in Equity Shares of the Company is permitted only in dematerialized form as per notification issued by the Securities & Exchange Board of India (SEBI). Bigshare Services Private Limited handles both Demat and Physical Shares Transfers.

The Share Transfers which are received in physical form are processed and the share certificates are returned within 21 days from the date of receipt, subject to Documents being valid and complete in all respects.

### 13. Dematerialisation of Shares:

As on 31st March, 2013, 34,72,902 Equity shares were in dematerialized form representing 100% of total share capital of the Company.

### 14. Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion dates and likely impact on equity. :-

NIL

### 15. Plant Locations :-

105, Balaji Industrial Society -1, Udhna Magdalla Road, Surat - 395007

### 16. Address for Correspondence :-

#### Company:

#### Kavita Fabrics Limited

105, Balaji Industrial Society -1,  
Udhna Magdalla Road, Surat – 395007,  
Gujarat, India  
Tel: +91 – 261 – 3018 759; Fax: +91 – 261 - 3018 759;  
Email: [info@kavitafabrics.com](mailto:info@kavitafabrics.com); Website: [www.kavitafabrics.com](http://www.kavitafabrics.com)

#### Registrar and Share Transfer Agent:

#### Bigshare Services Private Limited

E-2 Ansa Industrial Estate,  
Sakivihar Road Saki Naka,  
Andheri (East), Mumbai – 400 072  
Tel: +91 – 22 – 4043 0200; Fax: +91 – 22 – 2847 5207  
Email: [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com); Website: [www.bigshareonline.com](http://www.bigshareonline.com)

### ANNUAL DECLARATION BY CEO / MANAGING DIRECTOR PURSUANT TO CLAUSE 52 (1)(D)(ii) OF THE LISTING AGREEMENT

I, Harish Chandak, Chairman & Managing Director of Kavita Fabrics Limited hereby declare that all the members of the Board of Directors of the Company and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them as laid down by the Company in terms of Clause 52(1)(D)(ii) of the Listing Agreement entered into with the Stock Exchanges for the financial year ended 31st March, 2013.

FOR KAVITA FABRICS LIMITED

Sd/-  
Harish Chandak  
(Managing Director)

Place: Surat

Date : 22<sup>nd</sup> August, 2013



## **Auditors' Certificate on Corporate Governance**

To  
The Members of  
Kavita Fabrics Limited

We have examined the compliance of conditions of corporate governance by Kavita Fabrics Limited, for the year ended on March 31, 2013, as stipulated in clause 52 of the Listing Agreement of the said Company with stock exchange(s) in India.

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 of the conditions of the 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For, Sanjay Maheshwari & Associates  
(Chartered Accountants)  
Firm Reg No. 113289W

Sanjay Maheshwari  
(Partner)  
Membership No:046361  
Place: Surat  
Date: 18<sup>th</sup> May, 2013



## *INDEPENDENT AUDITORS' REPORT*

### **To the Members of M/S KAVITA FABRICS LTD**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of Kavita Fabrics Ltd, (The Company) which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

(a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books

(c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account

(d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

(e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For, Sanjay Maheshwari & Associates**  
**(Chartered Accountants)**  
**Firm Reg No. : - 113289W**

**Place : Surat**  
**Date: 18/05/2013**

**(Sanjay Maheshwari)**  
**Partner**  
**M. No. 046361**



## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph having reference to “Report on Other Legal and Regulatory Requirements” of our report of even date on the financial statements for the year ended 31<sup>st</sup> March 2013 on the basis of test checks as were considered appropriate and according to the records of the company and information and explanation given to us during the course of audit, we report that –

(i) In Respect of Fixed Assets:

1. The company has maintained proper records showing full particulars, including quantitative details and Situation of the fixed assets.
2. As explained to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
3. In our opinion company has not disposed off substantial parts of fixed assets during the year and the going concern status of the company has not affected.

(ii) In Respect of Stock:

1. The Company has carried out physical verification at reasonable intervals commensurate to its size and nature of business and no discrepancy has been found.
2. In our opinion and according to the explanations given to us, the procedure of physical verification of the inventories followed by the management is reasonable and adequate in relation to the size of company and nature of business.
3. The company is maintaining proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.

(iii) In Respect of loans secured or unsecured, granted or taken by the company to or from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act 1956, According to the information and explanation given to us, the company has not taken any secured or unsecured loans from companies, Firms, and other parties listed in the register. However The Company has granted Loan to one party covered in the register maintained u/s 301 of the Companies Act-1956 , the maximum amount outstanding during the period was Rs. 515000/- and balance outstanding as on 31<sup>st</sup> March,2013 was Rs. NIL.

(iv) In our opinion and explanation given to us, there is generally adequate internal control procedure commensurate with the size of the company and the nature of its business, with regard to purchase of inventory and fixed assets and for sale of goods.

(v) According to information given to us there are transactions during the period that need to be entered into a register in pursuance of section 301 of the Act and the same had been maintained in the register appropriately.

(vi) In our opinion and according to the information and explanation given to us, the company has not accepted deposits from the public within the meaning of section 58A and 58AA of the Companies Act, 1956.

(vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.



- (viii) The Central Government has not prescribed maintenance of cost records under clause (d) of sub section (1) of section 209 of the Companies Act, 1956.
- (ix) The company is regular in depositing of undisputed statutory dues. As informed to us there is no arrears of outstanding statutory dues as at the last day of the financial year concerned for the period of more than six months from the date they become payable. Further it is explained to us Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Sales tax, Wealth tax, Custom Duty, Excise Duty, cess are not applicable to the company during the year.
- (x) The company does not have accumulated losses of more than 50% of its Net Worth at the end of the financial year; The Company has not incurred cash losses in the current as well as in the previous financial year.
- (xi) Based on our audit and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institution, Banks.
- (xii) According to the information and explanation given to us the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion the company is not a chit fund/nidhi /mutual benefit fund /society therefore the provision of clause (xiii) of paragraph 4 of the order are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments as such provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) According to information and explanations given to us, the company has not given guarantee for loans taken by others from banks or financial institutions.
- (xvi) The Company has a term loans from banks and outstanding as on 31<sup>st</sup> March, 2013 is as follows:
- |                                 |     |             |
|---------------------------------|-----|-------------|
| 1 Kotak Mahindra Bank Term Loan | Rs. | 48,72,784/- |
| 2 Kotak Mahindra Prime Ltd.     | Rs. | 6460/-      |
- (xvii) According to the information and explanation given to us and on an overall examination of the Balance Sheet of the company we report that no funds raised on short term basis have been used for long term investment by the company.
- (xviii) The company has made preferential allotment of shares to parties and company covered in the register maintained under section 301 of the company Act 1956 .
- (xix) The company has not issued any debentures during the year.
- (xx) The Company has raised –Rs. 5,10,00,000/-by way of public issue during the year, &as on 31<sup>st</sup> March 2013 a part of money raised was used for the same purpose which it was raised, rest was invested in Liquid Mutual fund for a time being.





(xxi) During the course of our examination of the books of account and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

**For, Sanjay Maheshwari & Associates**  
**(Chartered Accountants)**  
**Firm Reg No. : - 113289W**

**Place : Surat**  
**Date: 18/05/2013**

**(Sanjay Maheshwari)**  
**Partner**  
**M. No. 046361**



**BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2013**

Particulars	Note No.	Figures for the year ended 31st March 2013	Figures for the year ended 31st March 2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	3	3,47,29,020	1,06,76,020
(b) Reserves and Surplus	4	7,03,77,463	7,72,193
<b>(2) Non Current Liabilities</b>			
(a) Long Term Borrowings	5	48,66,324	-
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	6	35,30,632	38,70,863
(b) Trade Payables	7	17,27,526	16,72,484
(c) Other Current Liabilities	8	14,89,023	4,28,816
(d) Short-Term Provisions	9	4,50,193	3,15,000
<b>Total Equity &amp; Liabilities</b>		<b>11,71,70,182</b>	<b>1,77,35,376</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	10		
(i) Gross Block		60,17,553	6,91,348
(ii) Depreciation		11,49,009	3,67,298
(iii) Net Block		48,68,544	3,24,050
(b) Capital WIP		2,74,268	
(c) Non-current investments	11	1,49,99,926	-
(d) Deferred tax assets (net)	12	5,875	14,174
(e) Long term loans and advances	13	15,00,000	35,00,000
(f) Other non-current assets	14	-	32,120
<b>(2) Current Assets</b>			
(a) Current Investment	15	5,16,68,058	
(b) Inventories	16	1,96,90,332	70,09,300
(c) Trade receivables	17	1,70,53,093	61,77,053
(d) Cash and cash equivalents	18	28,57,586	6,01,067
(e) Short-term loans and advances	19	42,52,500	77,612
<b>Total Assets</b>		<b>11,71,70,182</b>	<b>1,77,35,376</b>
<b>NOTES TO ACCOUNTS</b>	1,2		
<i>Notes referred to above and Annexures attached there to form an integral part of Balance Sheet</i>			
<i>This is the Balance Sheet referred to in our Report of even date.</i>			
<b>FOR SANJAY MAHESHWARI &amp; ASSOCIATES</b>		<b>FOR, KAVITA FABRICS LIMITED</b>	
<b>CHARTERED ACCOUNTANTS</b>			
		Sd/-	Sd/-
		HARISH CHANDAK	SHAILESH CHANDAK
		(CHAIRMAN & MANAGING DIRECTOR)	(EXECUTIVE DIRECTOR)
(SANJAY MAHESHWARI)			
FCA			
Membership No. : 046361		PLACE :	SURAT.
Firm Reg. No.: 113289W		DATED :	18/05/2013



**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2013**

Sr. No	Particulars	Note No.	Figures for the year ended 31st March 2013	Figures for the year ended 31st March 2012
I	Revenue from operations	20	5,71,24,516	3,12,82,902
II	Other Income	21	2,03,110	-
III	<b>III. Total Revenue (I +II)</b>		<b>5,73,27,626</b>	<b>3,12,82,902</b>
IV	<b>Expenses:</b>			
	Cost of materials consumed	22	5,10,56,708	2,24,85,537
	Direct Expenses	23	1,18,76,982	96,31,970
	Changes in inventories	24	-1,26,81,032	-34,98,028
	Employee Benefit Expense	25	17,48,901	6,05,967
	Financial Costs	26	8,43,569	3,77,273
	Depreciation and Amortization Expense	27	8,15,483	1,05,845
	Administrative Expenses	28	21,94,323	5,52,706
	<b>Total Expenses (IV)</b>		<b>5,58,54,934</b>	<b>3,02,61,270</b>
V	Profit before tax	(III - IV)	<b>14,72,692</b>	<b>10,21,632</b>
VI	<b>Tax expense:</b>			
	(1) Current tax		4,48,693	3,15,000
	(2) Deferred tax		8,299	-14,174
	(3) Prior Period Adjustments		46,482	-
VII	Profit/(Loss) for the period (XI + XIV)	(V-VI)	<b>9,69,218</b>	<b>7,20,806</b>
VIII	Earning per equity share:			
	(1) Basic		0.54	1.32
	(2) Diluted		0.54	1.32

*Notes referred to above and Annexures attached there to form an integral part of Profit & Loss Statement*

*This is the Profit & Loss Statement referred to in our Report of even date.*

**FOR SANJAY MAHESHWARI & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

**FOR, KAVITA FABRICS LIMITED**

**(SANJAY MAHESHWARI)**

**FCA**

**Membership No. : 046361**

**Firm Reg. No.: 113289W**

Sd/- **HARISH CHANDAK** Sd/- **SHAILESH CHANDAK**  
(CHAIRMAN & MANAGING DIRECTOR) (EXECUTIVE DIRECTOR)

PLACE :

SURAT.

DATED :

18/05/2013





## Notes forming the part of the accounts for the year ended 31<sup>st</sup> March 2013.

### 1. Company Overview

Kavita Fabrics Limited (the Company) is a public limited company domiciled and headquartered in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on the Bombay Stock Exchange in India. The company is engaged in manufacturing of synthetic fabrics in the form of semi-finished sarees and dress materials.

### 2. Significant Accounting Policies

#### i. Method of accounting:

Transactions are generally accounted on mercantile basis. The Company adopts the accrual concept, in the preparation of the accounts.

#### ii. Fixed Assets:

Fixed Assets are state at cost less accumulated depreciation.

#### iii. Depreciation:

Depreciation has been taken on WDV method at the rates prescribed in Schedule - XIV to the Companies Act, 1956.

#### iv. Inventories:

Cost of inventory includes all cost of purchases and other cost incurred in bringing the inventories to their present location and condition. Inventories are valued at cost or net realizable value whichever is less.

#### v. Revenue Recognition:

Sale of goods is recognized on dispatches to customers, which coincide with the transfer of significant risks and rewards associated with ownership. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

#### vi. Earning Per Share:

Basic earning per share is computed by dividing the net profit after tax for the period after prior period adjustments attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

#### vii. Taxation & Deferred Tax:

Provision for Current Tax is made in accordance with the provision of Income Tax Act, 1961. Deferred tax is recognized on timing differences between taxable & accounting income / expenditure that originates in one period and are capable of reversal in one or more subsequent period(s).

#### viii. Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

#### ix. Segment Reporting:

The company is predominantly in the business of "Synthetic Fabrics" and as such there are no separate reportable segments. The company's operations are predominantly only in India.

#### x. Contingent Liabilities:

There is no any contingent liability of the company.



**xi. Current / Non Current-**

All assets and liabilities are presented as Current or Non Current as per the company's normal operating cycle and other criteria set out in the revised Schedule VI of the Companies Act, 1956. Based upon the nature of products and the time between the acquisition of assets for processing and their realization, the company has ascertained its operating cycle as 12 months for the purpose of current/non - current classification of assets and liabilities.

**xii. Payment to Auditors:**

a) As Auditor	₹ 30000/-
b) As Advisor in any other Capacity	NIL
c) In any Other Manner	NIL

**xiii. Related parties with whom Transactions done during the period:**

- a) Associate Companies / Firm / HUFs:
1. Kavita Fabrics – prop. – Sudha Chandak
  2. Shiv Enterprises – prop. – Shailesh Chandak
  3. Shree Balaji Twisting Works – prop. – Harish Chandak (HUF)
  4. Swayam Textile – prop. – Kavita Bajaj
  5. Shailesh Chandak (HUF)
- b) Key Management Personnel & Relatives
1. Harish Chandak
  2. Shailesh Chandak
  3. Sarika Chandak
  4. Sudha Chandak

**Transactions with Related Parties:**

Nature of Transaction	2012-13			2011-12		
	Associate Companies / Firms	Key Management Personnel	Relatives of Key Management	Associate Companies / Firms	Key Management Personnel	Relatives of Key Management
Sales	NIL	NIL	NIL	3,12,82,902	NIL	NIL
Director Remuneration	NIL	9,66,774	NIL	NIL	3,00,000	NIL
Rent	NIL	7,19,300	NIL	NIL	1,20,000	NIL
Loan Given	5,00,000	NIL	NIL	47,00,000	20,00,000	NIL
Job Work Charges	60, 72,364	NIL	NIL	63,61,488	NIL	NIL
Repayment of Loan	NIL	NIL	NIL	69,09,090	20,00,000	NIL

\* Company has acquired Aayush Creation Prop. Sarika Chandak w.e.f. 31/03/2012 as going concern basis.



Name	Relationship	Nature of Transaction	Amount of transaction in in FY 2012-13 (Amt. in Rs.)	Amount outstanding as at 31.03.2013 (Payable) / Receivable	Amount of transaction in FY 2011-12 (Amt. in Rs.)	Amount outstanding as at 31.03.2012 (Payable) / Receivable
Harish Chandak	Key Management Person	Director Remuneration	3,60,000	26,960	3,00,000	NIL
Shailesh Chandak	Key Management Person	Director Remuneration	3,60,000	26,960	NIL	NIL
Sarika Chandak	Key Management Person	Director Remuneration	2,46,774	26,960	NIL	NIL
Swayam Textile	Associate Firm	Job Work Charges	9,35,712	NIL	17,51,735	(2,18,311)
Shiv Enterprises	Associate Firm	Job Work Charges	3,294,808	(5,52,727)	10,46,329	(2,80,867)
Shree Balaji Twisting Works	Associate Firm	Job Work Charges	11,60,440	NIL	20,56,293	(88,896)
Kavita Fabrics	Associate Firm	Job Work Charges	6,81,404	NIL	15,07,131	(2,16,226)
Shailesh Chandak HUF	Relative of Director	Loan Given	5,00,000	NIL	NIL	NIL
	Relative of Director	Interest Received	15,000	NIL	NIL	NIL

**xiv. Others:-**

- a. Interest expenses have been shown as net-off of the interest received in profit and loss accounts for better presentation.
- b. Figures have been rounded off to the nearest Rupees.
- c. Previous Year figures have been regrouped/reclassified/reinstated wherever considered necessary.



**Notes Forming Integral Part of the Balance Sheet as at 31st March, 2013**

**Note : 3 Share Capital**

Sr. No	Particulars	Figures for the year ended 31st March 2013	Figures for the year ended 31st March 2012
1	<b>AUTHORISED CAPITAL</b> 40,00,000 Shares of Rs.10/- Each.	4,00,00,000	1,20,00,000
		4,00,00,000	1,20,00,000
2	<b>ISSUED CAPITAL, SUBSCRIBED &amp; FULLY PAID UP CAPITAL</b> 34,72,902 Equity Shares of Rs.10/- Each fully Paid up	3,47,29,020	1,06,76,020
	<b>Total in ₹</b>	<b>3,47,29,020</b>	<b>1,06,76,020</b>

<b>Share Outstanding</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
Share Outstanding at beginning of the year	1067602	510000
Share issued during the year	2405300	557602
Share brought back during the year	-	-
Share outstanding at end of the year	3472902	1067602

**Details of shares held by each shareholder holding more than 5% shares:**

Class of shares / Name of shareholder	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Sudha Chandak			133334	12.49%
Harish Chandak	372000	10.71%	272000	25.48%
Sarika Chandak	656934	18.92%	656934	61.53%
Lakhotia Polysters (India) Ltd.	950000	27.35%		
Intensive Softshare Private Limited	414000	11.92%		
Sanjoyog Trade Link Private Limited	309000	8.90%		

**Shares allotted for consideration other than cash**

1. During the Financial Year 2011-12, 34,002 No. of Equity Shares were Issued as fully paid bonus shares.
2. During the Financial Year 2011-12, 5,23,600 No. of Equity Shares were issued pursuant to a share swap agreement.





**Note : 4 Reserve & Surplus**

Sr. No	Particulars	Figures for the year ended 31st March 2013	Figures for the year ended 31st March 2012
a	Opening Profit & Loss	7,72,193	4,95,895
	Less: Tax on Regular Assessment Paid	-	-1,04,488
	Less: :Bonus Shares Issued	-	-3,40,020
	Add: Profit for the period	9,69,218	7,20,806
	Closing Profit & Loss	<b>17,41,411</b>	<b>7,72,193</b>
b	Opening Securities Premium		
	Add: Share Premium Credited during the Period	7,21,59,000	-
	Less: Share Issue Expense	35,22,947	-
	Closing Securities Premium	<b>6,86,36,053</b>	-
	<b>Total in ₹</b>	<b>7,03,77,463</b>	<b>7,72,193</b>

**Note : 5 Long Term Borrowing**

Sr. No	Particulars	Figures for the year ended 31st March 2013	Figures for the year ended 31st March 2012
	Kotak Mahindra Bank Term Loan	48,72,784	-
	Kotak Mahindra Prime Ltd.	(6,460)	-
	<b>Total in ₹</b>	<b>48,66,324</b>	-

**Note : 6 Short Term Borrowings**

Sr. No	Particulars	Figures for the year ended 31st March 2013	Figures for the year ended 31st March 2012
1	<b>Secured</b>		
	- From Kotak Mahindra Bank - OD*	31,73,318	38,70,863
	- From Kotak Mahindra Bank - OD2*	10,210	-
	*O/D Facility against Mortgage of Residential Property of Directors		
	Kotak Mahindra Bank Term Loan (Repayable within 1 year)	3,47,104	
	<b>Total in ₹</b>	<b>35,30,632</b>	<b>38,70,863</b>

**Note : 7 Trade Payable**

Sr. No	Particulars	Figures for the year ended 31st March 2013	Figures for the year ended 31st March 2012
1	Due to Micro, Small and Medium Enterprises	-	-
2	Others		
	Trade payable for Materiel/Supplies	8,04,151	16,72,484
	Trade payable for Job work & Process	9,23,375	
	<b>Total in ₹</b>	<b>17,27,526</b>	<b>16,72,484</b>



**Note : 8 Other Current Liabilities**

Sr. No	Particulars	Figures for the year ended 31st March 2013	Figures for the year ended 31st March 2012
1	Ansari Hasin	16,528	-
2	Audit Fees Payable	30,000	23,000
3	Babulal Hazarilal	8,528	-
4	Bonus & Incentive Payable	5,46,964	
5	Directors Remuneration Payable	80,880	
6	Electricity & Power Charges Payable	1,17,472	24,809
7	Employee Salary Payable	-	18,400
8	ESIC Payable	5,301	
9	Gopi Electricals	15,000	-
10	Jayantilal Meghwal	17,106	
11	Kheda Ram Gigaram Choudhary	15,000	
12	Legal Fees Payable	-	8,000
13	Mahesh Gudekar	540	
14	Mumtaz Packing Wala	4,200	-
15	Naga Ram Chimna Ram Choudhary	15,000	
16	Orient press Limited	1,50,699	-
17	PRC Payable	2,210	-
18	Production Expenses Payable	-	65,552
19	Provident Fund	14,682	
20	Rajesh Gond	7,974	-
21	Salary Payable	54,052	-
22	Soni Associates	5,000	
23	TDS Payable	1,69,104	14,284
24	TDS Receivable (A.Y.2013-14)	(1,500)	
25	Telephone Expenses Payable	963	1,238
26	Trade Payable for Services	-	2,30,253
27	Wages Payable	2,13,320	43,280
	<b>Total in ₹</b>	<b>14,89,023</b>	<b>4,28,816</b>

**Note : 9 Short Term Provisions**

Sr. No	Particulars	Figures for the year ended 31st March 2013	Figures for the year ended 31st March 2012
1	<b>Others</b>		
	ROC Filling Fees	1,500	-
	Provision for Taxation (F.Y. 11-12)	-	3,15,000
	Provision for Taxation (F.Y. 12-13)	4,48,693	-
	<b>Total in ₹</b>	<b>4,50,193</b>	<b>3,15,000</b>



**Note : 10**  
**Fixed Asset**

Sr · No	Particulars	Rate	Gross Block				Depreciation				Net Block	
			Value at the beginning	Addition during the period	Deduction during the period	Value at the end	Value at the beginning	Addition during the period	Deduction during the period	Value at the end	WDV as on 31.03.2012	WDV as on 31.03.2013
	<b>Tangible Assets</b>											
1	Office Equipment	20.00%	1,60,986	97,050	1,069	2,56,967	54,791	24,811	585	79,017	1,06,195	1,77,950
2	Machinery	20.87%	4,27,486	31,02,750	-	35,30,236	2,61,533	4,15,965	-	6,77,498	1,65,953	28,52,738
3	Furniture & Fixture	18.10%	5,559	6,08,846	-	6,14,405	2,826	21,574	-	24,400	2,733	5,90,005
4	Cycle	20.00%	1,900	-	1,900	-	1,067	-	1,067	-	833	-
5	Motor Vehicle	25.89%	95,417	-	-	95,417	47,081	11,725	-	58,806	48,336	36,611
6	Mahindra XUV500	25.89%	-	15,20,528	-	15,20,528	-	3,09,288	-	3,09,288	-	12,11,240
	<b>TOTAL</b>		<b>6,91,348</b>	<b>53,29,174</b>	<b>2,969</b>	<b>60,17,553</b>	<b>3,67,298</b>	<b>7,83,363</b>	<b>1,652</b>	<b>11,49,009</b>	<b>3,24,050</b>	<b>48,68,544</b>

**Note : 11 Deferred tax assets (net)**

Sr. No	Particulars	Figures for the year ended 31st March 2013	Figures for the year ended 31st March 2012
	Balance of fixed assets as per books	48,68,544	3,24,050
	Balance of fixed assets as per I.T. Note	48,95,402	3,69,921
	Difference	26858	45,871
	Provision for Deferred Tax @ 30.90%	(8,299)	14,174
	Provision already made	14,174	-
	<b>Balance at the end</b>	<b>5,875</b>	<b>14,174</b>

**Note : 12 Non Current Investment**

Sr. No	Particulars	Figures for the year ended 31st March 2013	Figures for the year ended 31st March 2012
1	Investment in Unquoted Equity Shares	1,49,99,926	-
	<b>Total in ₹</b>	<b>1,49,99,926</b>	<b>-</b>



**Note : 13 Long Term Loans and Advances**

Sr. No	Particulars	Figures for the year ended 31st March 2013	Figures for the year ended 31st March 2012
1)	<u>Advances</u> <u>UnSecured, Considered Good :</u> Guj Eco Tex Upscale Park Pvt. Ltd.	15,00,000	35,00,000
	<b>Total in ₹</b>	<b>15,00,000</b>	<b>35,00,000</b>

**Note : 14 Other Non Current Assets**

Sr. No	Particulars	Figures for the year ended 31st March 2013	Figures for the year ended 31st March 2012
1	Preliminary Expenses	-	32,120
	<b>Total in ₹</b>	<b>-</b>	<b>32,120</b>

**Note : 15 Current Investment**

Sr. No	Particulars	Figures for the year ended 31st March 2013	Figures for the year ended 31st March 2012
1	Investment in Unquoted, 6% Redeemable Preference shares	1,60,00,000	
2	Birla Sunlife Mutual Fund	3,02,94,139	
3	Pramerica Mutual Fund	25,11,353	
4	Share Investment	28,62,566	
	<b>Total in ₹</b>	<b>5,16,68,058</b>	<b>-</b>

**Note : 16 Inventories**

Sr. No	Particulars	Figures for the year ended 31st March 2013	Figures for the year ended 31st March 2012
1	Inventories (Raw Material, WIP and Finished Goods)	1,96,90,332	70,09,300
	<b>Total in ₹</b>	<b>1,96,90,332</b>	<b>70,09,300</b>

**Note : 17 Trade Recievables**

Sr. No	Particulars	Figures for the year ended 31st March 2013	Figures for the year ended 31st March 2012
1	<u>Unsecured, Considered Good :</u> <u>Outstanding for less than 6 months</u> <u>Outstanding for more than 6 months</u>	1,70,53,093 -	61,77,053 -
	<b>Total in ₹</b>	<b>1,70,53,093</b>	<b>61,77,053</b>



**Note : 18 Cash & Cash Equivalent**

Sr. No	Particulars	Figures for the year ended 31st March 2013	Figures for the year ended 31st March 2012
1	<b>Cash-in-Hand</b> Cash Balance	15,26,688	4,00,665
	<b>Sub Total (A)</b>	<b>15,26,688</b>	<b>4,00,665</b>
2	<b>Bank Balance</b> With Kotak Mahindra Bank	13,30,898	2,00,402
	<b>Sub Total (B)</b>	<b>13,30,898</b>	<b>2,00,402</b>
	<b>Total [ A + B ]</b>	<b>28,57,586</b>	<b>6,01,067</b>

**Note : 19 Short Terms Loans and Advances**

Sr. No	Particulars	Figures for the year ended 31st March 2013	Figures for the year ended 31st March 2012
1	<b>Loans &amp; Advances</b> a) Secured, Considered Good : b) Unsecured, Considered Good : c) Doubtful	<b>38,02,500</b>	-
2	<b>Others</b> Advance Recoverable in cash or in kind or for value to be considered good Advance Income Tax/Refund Due	<b>4,50,000</b>	<b>77,612</b>
	<b>Total in ₹</b>	<b>42,52,500</b>	<b>77,612</b>

**Note : 20 Revenue from Operations**

Sr. No	Particulars	Figures for the year ended 31st March 2013	Figures for the year ended 31st March 2012
1	Sales	5,71,24,516	3,12,82,902
	<b>Total in ₹</b>	<b>5,71,24,516</b>	<b>3,12,82,902</b>

**Note : 21 Other Income**

Sr. No	Particulars	Figures for the year ended 31st March 2013	Figures for the year ended 31st March 2012
1	Claims	97,618	-
2	Interest On Mutual Funds	1,05,492	-
	<b>Total in ₹</b>	<b>2,03,110</b>	<b>-</b>



**Note : 22 Cost of Material Consumed**

Sr. No	Particulars	Figures for the year ended 31st March 2013	Figures for the year ended 31st March 2012
	<b><u>PURCHASES OF RAW MATERIALS AND STORES</u></b>		
1	Raw Material	3,43,97,352	2,21,81,624
2	Stores & Consumables	3,96,274	3,03,913
3	Finish Purchases	1,62,63,082	
	<b>Total in ₹</b>	<b>5,10,56,708</b>	<b>2,24,85,537</b>

**Note : 23 Direct/ Production Expenses**

Sr. No	Particulars	Figures for the year ended 31st March 2013	Figures for the year ended 31st March 2012
1	Designing Expenses	4,00,691	5,40,786
2	Process Job	10,53,329	-
3	Electricity Power Bill	9,96,046	3,61,806
4	Machinery Expenses	-	2,160
5	Production Expenses	3,97,838	3,85,206
6	Wages Expenses	17,70,551	8,48,155
7	Job Charges	66,68,792	74,93,857
8	Finish Cutting Expenses	42,771	
9	Bonus & other Labour Incentives	5,46,964	
	<b>Total in ₹</b>	<b>1,18,76,982</b>	<b>96,31,970</b>

**Note : 24 Change in Inventories**

Sr. No	Particulars	Figures for the year ended 31st March 2013	Figures for the year ended 31st March 2012
1	Opening Stock	70,09,300	25,45,772
2	Closing Stock	1,96,90,332	60,43,800
	<b>Total in ₹</b>	<b>-1,26,81,032</b>	<b>-34,98,028</b>

**Note : 25 Employment Benefit Expenses**

Sr. No	Particulars	Figures for the year ended 31st March 2013	Figures for the year ended 31st March 2012
1	Salaries	6,88,691	2,64,815
2	Directors Remuneration	9,66,774	3,00,000
3	Employee Welfare Expenses	60,436	41,152
4	Directors Sitting Fees	33,000	-
	<b>Total in ₹</b>	<b>17,48,901</b>	<b>6,05,967</b>



**Note : 26 Financial Cost**

Sr. No	Particulars	Figures for the year ended 31st March 2013	Figures for the year ended 31st March 2012
1	Bank Interest & Charges	8,43,569	3,77,273
	<b>Total in ₹</b>	<b>8,43,569</b>	<b>3,77,273</b>

**Note : 27 Depreciation & Amortised Cost**

Sr. No	Particulars	Figures for the year ended 31st March 2013	Figures for the year ended 31st March 2012
1	Depreciation	7,83,363	73,725
2	Preliminary Expenses W/O	32,120	32,120
	<b>Total in ₹</b>	<b>8,15,483</b>	<b>1,05,845</b>

**Note : 28 Administrative Expenses**

Sr. No	Particulars	Figures for the year ended 31st March 2013	Figures for the year ended 31st March 2012
1	ADVERTISEMENT EXPENSES	-	1,500
2	AUDIT FEES	30,000	20,000
3	COMPUTER EXP.	49,150	35,651
4	CUTTING EXPENSES	3,72,316	-
5	DISCOUNT ACCOUNT	1,32,772	67,188
6	DONATION	-	14,552
7	ELECTRICITY EXP.	97,507	1,781
8	ESIC	34,682	-
9	FACTORY EXP.	1,01,199	1,20,493
10	INSURANCE EXP.	98,844	-
11	LEGAL FEES	26,818	10,850
12	LOSS ON DISPOSAL OF ASSETS	1,317	-
13	MARKETING EXPENSES	14,042	13,650
14	MUNICIPAL TAXES	75,620	9,208
15	OTHER OFFICE & MISC EXPENSES	1,675	5,050
16	PACKING EXPENSES	1,24,535	-
17	POSTAL EXPENSES	6,570	-
18	PROFESSIONAL TAX	2,400	-
19	PROVIDENT FUND	86,517	-
20	RENT	7,19,300	1,20,000
21	ROC EXPENSES	1,500	5,000
22	SHOP EXPENSES	4,851	-
23	STATIONERY EXP.	36,102	12,214
24	TELEPHONE EXP.	57,513	28,563
25	TRANSPORTATION EXPENSES	14,470	31,612
26	VEHICLE EXP.	1,04,623	55,394
	<b>Total in ₹</b>	<b>21,94,323</b>	<b>5,52,706</b>



ATTENDANCE SLIP

I certify, that I am the registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the Annual General Meeting at 105, Balaji Industrial Society-1, Udhna Magdalla Road, Surat -395007, Gujarat, India on 25<sup>th</sup> day of September, 2013 at 1:00 p.m.

Name of the Attending Member (in Block Letters):-

Member's Folio Number:-

DP Id:-

Client Id:-

Name of Proxy (in Block letters to be filled in if the Proxy attends instead of the member) :-

No. of Shares held \_\_\_\_\_

\* To be signed at the time of handing over this slip.



PROXY FORM

I/We \_\_\_\_\_ of  
\_\_\_\_\_ being a member/members of Kavita Fabrics Limited,  
hereby appoint \_\_\_\_\_ of  
\_\_\_\_\_ or failing him \_\_\_\_\_ of  
\_\_\_\_\_ as my/our proxy to attend and vote for me/us on my/our behalf at the  
Annual General Meeting at 105, Balaji Industrial Society-1, Udhna Magdalla Road, Surat -395007, Gujarat, India on 25<sup>th</sup> day of  
September, 2013 at 1:00 p.m. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013

Note: The Proxy form duly completed and signed should be deposited at the Registered Office of the Company not later than 48 hours before the time of the Meeting.

Affix a ₹1  
Revenue  
Stamp

Member's/Proxy's Signature



## BOOK- POST

If undelivered, Please return to:

***Kavita Fabrics Limited***

105, Balaji Industrial Society - 1,

Udhna Magdalla Road,

Surat – 395007, Gujarat, India.

Tel: +91 – 261 – 3018759

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Website: [www.kavitafabrics.com](http://www.kavitafabrics.com)