



**ANNUAL
REPORT**
2013-14

**KAVIT
INDUSTRIES
LIMITED**

KAVIT INDUSTRIES LIMITED
(CIN: L23100GJ1990PLC014692)
(Formerly known as Atreya Petrochem Limited)

Corporate Information

BOARD OF DIRECTORS

| | |
|--|----------------------|
| Jayesh Raichandbhai Thakkar (DIN: 01631093): | Managing Director |
| Jigar Premchand Motta (DIN: 02824824): | Independent Director |
| Kiran Jethalal Soni (DIN: 02853275): | Independent Director |
| Nikhil Pranay Pednekar (DIN: 03326402): | Independent Director |
| Amit Tarachand Shah (DIN: 03326801): | Independent Director |
| Kavit Jayeshbhai Thakkar (DIN: 06576294): | Additional Director |
| Chirag Vinodchandra Thakkar (DIN: 06844583): | Additional Director |
| Hirenkumar Pravinsinh Rao (DIN: 06883515): | Additional Director |

BANKERS:

Bank of India, Vadodara
 UCO Bank, Vadodara
 HDFC Bank, Vadodara
 INDUSIND Bank, Vadodara
 ICICI Bank, Vadodara
 AXIS Bank, Vadodara
 ING VYSYA Bank, Vadodara
 Dhanlaxmi Bank, Vadodara

STATUTORY AUDITORS:

M/s. Sheetal Samariya & Associates
 Chartered Accountants
 02, Shirhari Complex,
 Besides Express Hotel Lane,
 Alkapuri, Vadodara -390005.
 Email: ssabaroda@gmail.com

REGISTERED OFFICE AND WORKS

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

STOCK EXCHANGE(S)

Bombay Stock Exchange Ltd.
 Vadodara Stock Exchange Ltd.
 Ahmedabad Stock Exchange Ltd.

REGISTRAR AND TRANSFER AGENTS:

M/s. Link Intime India Pvt. Ltd.
 C-13,
 Pannalal Silk Mills Compound,
 L.B.S. Marg, Bhandup (w),
 Mumbai- 400078.
 Tel. (22) 25963838,
 Fax: (22) 25946969,
 E-mail:
 rnt.helddesk@linkintime.co.in

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NOTICE

NOTICE is hereby given that the Annual General Meeting of M/s. KAVIT INDUSTRIES LIMITED (formally known as Atreya Petrochem Limited) will be held on Tuesday, 23rd September, 2014 at 09:00 A.M. at its Registered Office situated at Village Tundao, Taluka: Savli, Vadodara-391775, Gujarat to transact the following Businesses.

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, 2014 along with the Reports of the Auditors and Directors thereon.
2. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
“RESOLVED THAT M/s. Sheetal Samriya & Associates, Chartered Accountants (Registration No. 011478C), be and are hereby re-appointed as Statutory Auditors’ of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESSES:

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the rules made there under, (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 Mr. Jigar Premchand Motta (DIN: 02824824), Independent Director of the Company, who in accordance with Companies Act, 2013 is required to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for three consecutive years for a term up to the conclusion of Annual General Meeting for the FY 2016-17.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the rules made there under, (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 Mr. Kiran Jethalal Soni (DIN: 02853275), Independent Director of the Company, who in accordance with Companies Act, 2013 is required to be

appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is here by appointed as an Independent Director of the Company to hold office for three consecutive years for a term up to the conclusion of Annual General Meeting for the FY 2016-17.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the rules made there under, (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 Mr. Nikhil Pranay Pednekar (DIN: 03326402), Independent Director of the Company, who in accordance with Companies Act, 2013 is required to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is here by appointed as an Independent Director of the Company to hold office for three consecutive years for a term up to the conclusion of Annual General Meeting for the FY 2016-17.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the rules made there under, (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 Mr. Amit Tarachand Shah (DIN: 03326801), Independent Director of the Company, who in accordance with Companies Act, 2013 is required to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is here by appointed as an Independent Director of the Company to hold office for three consecutive years for a term up to the conclusion of Annual General Meeting for the FY 2016-17.”

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

“RESOLVED THAT pursuant to the provisions of Section 152, 161 and any other applicable provisions of the Companies Act, 2013 and any rules made there under, Mr. Kavit Jayeshbhai Thakkar (DIN: 06576294) who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. March 12, 2014 and who holds office up to the date of this Annual General meeting and in respect of whom the Company has received a notice in writing from a member proposing the candidature of Mr. Kavit Jayeshbhai Thakkar (DIN: 06576294) for the office of the Director of the Company, be and is hereby elected and appointed as a Director as per the provisions of section 160 of the Companies Act, 2013.”

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

“RESOLVED THAT pursuant to the provisions of Section 152, 161 and any other applicable provisions of the Companies Act, 2013 and any rules made there under, Mr. Chirag Vinodchandra Thakkar (DIN: 06844583) who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. March 12, 2014 and who holds office up to the date of this Annual General meeting and in respect of whom the Company has received a notice in writing from a member proposing the candidature of Mr. Chirag Vinodchandra Thakkar (DIN: 06844583) for the office of the Director of the Company, be and is hereby elected and appointed as a Director as per the provisions of section 160 of the Companies Act, 2013.”

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

“RESOLVED THAT pursuant to the provisions of Section 152, 161 and any other applicable provisions of the Companies Act, 2013 and any rules made there under, Mr. Hirenkumar Pravinsinh Rao (DIN: 06883515) who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. May 30, 2014 and who holds office up to the date of this Annual General meeting and in respect of whom the Company has received a notice in writing from a member proposing the candidature of Mr. Hirenkumar Pravinsinh Rao (DIN: 06883515) for the office of the Director of the Company, be and is hereby elected and appointed as a Director as per the provisions of section 160 of the Companies Act, 2013.”

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

Date: 30/05/2014

Place: Vadodara

SD/-
Jayesh R. Thakkar
MD

Name of the Company:

Kavit Industries Limited (formally known as Atreya Petrochem Limited)

CIN:

L23100GJ1990PLC014692

Email ID: kavitindustrieslimited@gmail.com

Registered Office:

Village Tundao, Taluka: Savli, Vadodara-391775.

Website: www.atreyapetrochem.com

Phone No.: 0265-2362000, 2361100

FAX: 0265-2361551

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ('the Meeting') IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

A proxy form, in order to be effective, must be received at the Registered Office of the Company's situated at Village Tundao, Taluka: Savli, Vadodara-391775, not less than 48 hours before the commencement of the meeting. A blank proxy form is enclosed and can also be downloaded from the website of the company.

2. An explanatory statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from **Wednesday, 17/09/2014 to , Tuesday 23/09/2014**, (both days inclusive) and cut-off date for the purpose of identification of eligible shareholders is Friday, 22/08/2014.
4. The Securities and Exchange Board of India (SEBI) has mandated the submission of copy of PAN card to the Company/ Depository Participants as the case may be. Members holding shares in physical form should submit their PAN details to the Company/Registrar and Share Transfer Agent of the Company.
5. Members are requested to notify any change of address:
 - a) to their Depository Participants (DP) in respect of shares held in dematerialized form, and;
 - b) To Registrar and Share Transfer Agent of the Company- M/s. Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (w), Mumbai-400078, in respect of shares in physical form, to notify their change of address/residential status/email-id, bank details etc., if any, under their signatures and quoting respective folio number.
6. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

7. Members are requested to bring their Client ID and DP ID or Folio Numbers, as may be applicable, at the meeting for easy identification of attendance.
8. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of Board resolution(s) authorizing their representative (ies) to attend and vote on their behalf at the Meeting.
9. Members desirous of getting any information about the accounts and operations of the Company are requested to submit their queries addressed to the Compliance Officer at least 7 days in advance of the meeting so that the information called for can be made available at the meeting.
10. Kindly bring your copies of the Annual Report as sent by the Company at the meeting.
11. Electronic copy of the Annual Report for the financial Year ended on 31st March, 2014 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Annual Report is being sent in the permitted mode.
12. Electronic copy of the Notice of the Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice of the Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
13. Members may also note that the Notice of the Annual General Meeting and the Annual Report for the financial Year ended on 31st March 2014 will also be available on the Company's website www.atreyapetrochem.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office situated at Village Tundao, Taluka: Savli, Vadodara for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the



shareholders may also send requests to the Company's investor email id: kavitindustrieslimited@gmail.com .

14. Voting through electronic means

- (I) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

The instructions for e-voting are as under:

(A) In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com.
- (ii) Click on "Shareholders" tab to cast your votes.
- (iii) Now, select the Electronic Voting Sequence Number - "EVSN" along with "KAVIT INDUSTRIES LIMITED" from the drop down menu and click on "SUBMIT" (Note: EVSN of the Company is 140816016)
- (iv) If you are holding shares in Demat form and have already voted earlier on www.evotingindia.com for a voting of any Company, then your existing login id and password are to be used. If you are a first time user follow the steps given below.
- (v) Now, fill up the following details in the appropriate boxes:

| | For Members holding shares in Demat Form | For Members holding shares in Physical Form |
|-------------------------------|---|--|
| User ID | For NSDL: 8 Character DP ID Folio Number registered with the Company followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID | Folio Number registered with the Company |
| PAN* | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders) | |
| DOB# | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. | |
| Dividend Bank Details# | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. In absence of Bank Details, you may enter number of shares held by you as on cut-off date i.e. 22/08/2014. | |

**Members who have not updated their PAN with the Company/Depository Participant are requested to use the default number: <ABCDE1234F> in the PAN field.*

please enters any one of the details in order to login. Incase either of the details are not recorded with the depository/company, please enter the number of shares held by you as on 22/08/2014 in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Members holding shares in physical form will then reach directly the EVSN 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.
- (viii) For member’s holdings shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the relevant EVSN on which you choose to vote.
- (x) 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.
- (xi) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xv) If Demat account holder has forgotten the changed password then enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xvi) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and POA in favour of the Custodian who they

have authorized to vote on their behalf, in PDF format in the system for the scrutinizer to verify the vote.

(B) In case of members receiving the physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:

Please follow all steps from sl. no. (i) to sl. no. (xvi) above, to cast vote.

- (II) The voting period begins on Wednesday, 17th September, 2014 (9.00 am) and ends on Friday, 19th September, 2014 (6.00 pm) During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22nd August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (III) 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.
- (IV) (a) Mr. Mayur M. Buha, ACS, Practicing Company Secretary (Certificate of Practice No.10487) has been appointed as Scrutinizer to scrutinize voting process in a fair and transparent manner.
 (b) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not being in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 (c) The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be available for inspection and also placed on the website of the Company within prescribed period.
15. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 am to 5.00 pm) on all working days except Sundays, up to and including the date of the Annual General Meeting of the Company.
16. As per the provision of clause 49 of the Listing Agreement, particulars of Directors to be appointed / re-appointed at the Annual General Meeting are given separately in the notice.
17. The investors may contact the Compliance Officer for redressal of their grievances/queries. For this purpose, they may either write to her/him at the Registered office address or e-mail their grievances/queries to the Compliance Officer at the following e-mail address: kavitindustrieslimited@gmail.com.

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013**ITEM NO 3, 4, 5 AND 6**

Mr. Jigar Premchand Motta, Mr. Kiran Jethalal Soni, Mr. Nikhil Pranay Pednekar and Mr. Amit Tarachand Shah are Independent Directors of the Company. The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement *inter alia* stipulating the conditions for the appointment of Independent Directors by a listed Company. It is proposed to appoint Mr. Jigar Premchand Motta, Mr. Kiran Jethalal Soni, Mr. Nikhil Pranay Pednekar and Mr. Amit Tarachand Shah as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for three consecutive years for a term upto the conclusions of Annual General Meeting for the FY 2016-17. All the forenamed Directors are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given consent to act as Directors, The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Mr. Jigar Premchand Motta, Mr. Kiran Jethalal Soni, Mr. Nikhil Pranay Pednekar and Mr. Amit Tarachand Shah for the office of Director of the Company. The Company has also received declarations from Mr. Jigar Premchand Motta, Mr. Kiran Jethalal Soni, Mr. Nikhil Pranay Pednekar and Mr. Amit Tarachand Shah that they meet with criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and Clause 49 of the Listing Agreement. In the opinion of the Board, Mr. Jigar Premchand Motta, Mr. Kiran Jethalal Soni, Mr. Nikhil Pranay Pednekar and Mr. Amit Tarachand Shah fulfil the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Mr. Jigar Premchand Motta, Mr. Kiran Jethalal Soni, Mr. Nikhil Pranay Pednekar and Mr. Amit Tarachand Shah are independent of the management. Copy of the draft letter for respective appointments of Mr. Jigar Premchand Motta, Mr. Kiran Jethalal Soni, Mr. Nikhil Pranay Pednekar and Mr. Amit Tarachand Shah as Independent Directors setting out the terms and conditions is available for inspection by members at the Registered Office of the Company. This Statement may also be regarded as disclosure under Clause 49 of the Listing Agreement with Stock Exchanges.

Mr. Jigar Premchand Motta, Mr. Kiran Jethalal Soni, Mr. Nikhil Pranay Pednekar and Mr. Amit Tarachand Shah are interested in the resolutions set out respectively at Item Nos. 3, 4, 5 and 6 of the Notice with regards to their respective appointments. The relatives of Mr. Jigar Premchand Motta, Mr. Kiran Jethalal Soni, Mr. Nikhil Pranay Pednekar and Mr. Amit Tarachand Shah may be deemed to be interested in the resolutions set out respectively at Item Nos. 3, 4, 5 and 6 of the Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of other Directors / Key Managerial Personnel of the Company / Manager / their relatives is any way, concerned or interested, financially or otherwise in these resolutions. The Board recommends the Ordinary Resolutions set out at Item Nos. 3, 4, 5 and 6 of the Notice for approval by the shareholders.

The detailed profile of Mr. Jigar Premchand Motta, Mr. Kiran Jethalal Soni, Mr. Nikhil Pranay Pednekar and Mr. Amit Tarachand Shah is set-out separately in this report.

ITEM NO. 7

Mr. Kavit Thakkar was appointed as an Additional Director pursuant to the provision of Section 161 of the Companies Act, 2013. His appointment was made on 12th March, 2014 and can holds office of Director up to the date of Annual General Meeting. The company received a notice along with the deposit proposing his candidature to the position of Director as per the provisions of section 160 of the Companies Act, 2013. Your Directors recommend the above resolution set out in the notice as an ordinary resolution for your approval.

The detailed profile of Mr. Kavit Thakkar is set-out separately in this report.

None of the Directors except Mr. Kavit Thakkar and Mr. Jayesh Thakkar, Managers, Key Managerial Persons or their relatives are in any way concern or interested, financial or otherwise in the above resolution.

ITEM NO. 8

Mr. Chirag Thakkar was appointed as an Additional Director pursuant to the provision of Section 161 of the Companies Act, 2013. His appointment was made on 12th March, 2014 and can holds office of Director up to the date of Annual General Meeting. The company received a notice along with the deposit proposing his candidature to the position of Director as per the provisions of section 160 of the Companies Act, 2013. Your Directors recommend the above resolution set out in the notice as an ordinary resolution for your approval.

The detailed profile of Mr. Chirag Thakkar is set-out separately in this report.

None of the Directors, Managers, Key Managerial Persons or their relatives are in any way concern or interested, financial or otherwise in the above resolution.

ITEM NO. 9

Mr. Hirenkumar Rao was appointed as an Additional Director pursuant to the provision of Section 161 of the Companies Act, 2013. His appointment was made on 30th May, 2014 and can holds office of Director up to the date of Annual General Meeting. The company received a notice along with the deposit proposing his candidature to the position of Director as per the provisions of section 160 of the Companies Act, 2013. Your Directors recommend the above resolution set out in the notice as an ordinary resolution for your approval.

The detailed profile of Mr. Hirenkumar Rao is set-out separately in this report.

None of the Directors, Managers, Key Managerial Persons or their relatives are in any way concern or interested, financial or otherwise in the above resolution.

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

Date: 30/05/2014

Place: Vadodara

SD/-
Jayesh R. Thakkar
MD



Name of the Company:

Kavit Industries Limited (formally known as Atreya Petrochem Limited)

CIN:

L23100GJ1990PLC014692

Email ID: kavitindustrieslimited@gmail.com**Registered Office:**

Village Tundao, Taluka: Savli, Vadodara-391775.

Website: www.atreyapetrochem.com**Phone No.:** 0265-2362000, 2361100**FAX:** 0265-2361551**DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT BY THE SHAREHOLDERS OF THE COMPANY AT THE ENSUING ANNUAL GENERAL MEETING (IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT)**

| Name of Director | Amit Tarachand Shah | Jigar Premchand Motta | Kiran Jethalal Soni |
|--|--|---|--|
| Date of Birth | 26/01/1977 | 05/01/1973 | 21/02/1967 |
| Date of appointment | 14/05/2011 | 14/05/2011 | 14/05/2011 |
| Qualifications | B.com | B.com | B.com |
| Experience | 15 years | 10 years | 17 years |
| Names of other Companies in which Directorship is held | 1. Tanika Mercantile Private Limited 2. Secunderabad Health Care Limited 3. Harrods Trading Private Limited 4. Preface Mercantile Private Limited 5. Pier Mercantile Private Limited 6. Prasanna Mercantile Private Limited 7. Tenor Mercantile Private Limited 8. Marisha Real Estate Private Limited 9. Walton Constructions Private Limited | 1. Shivam Mall Management Company Private Limited 2. Disha Plastics Private Limited 3. Dhani Commodities Private Limited 4. Malik Hospitality Services Private Limited 5. Malik Infra Tech And Developers Private Limited 6. Arj Impex Private Limited 7. Secunderabad Health Care Limited 8. Jallosh Mercantile Private Limited | 1. Ethan Constructions Private Limited 2. Lakeside Properties Private Limited 3. B P C Financial Services Private Limited 4. Heroic Mercantile Private Limited 5. Glimmer Mercantile Private Limited 6. Longseal Machinery Private Limited 7. Uttal Mercantile Private Limited 8. Sustain Trading Private Limited 9. Ganika Infrastructure Private Limited |
| No. of Shares held | NIL | NIL | NIL |

| Name of Director | Kavit Jayeshbhai Thakkar | Chirag Vinodchandra Thakkar | Hirenkumar Pravinsinh Rao |
|--|---|------------------------------------|----------------------------------|
| Date of Birth | 17/07/1993 | 23/03/1980 | 24/03/1979 |
| Date of appointment | 12/03/2014 | 12/03/2014 | 30/05/2014 |
| Qualifications | BBA | B.Com | B.E. MECHANICAL |
| Experience | 6 months | 3 years | 10 YEARS |
| Names of other Companies in which Directorship and the membership of Committees of the Board; held | 1. Raghuvir International Private Limited 2. Shree Saibaba Exim Private Limited 3. N.A. Corporation Private Limited | NIL | 1. Pacific Finstock Limited |
| No. of Shares held | NIL | NIL | NIL |

| | |
|--|---|
| Name of Director | NIKHIL PRANAY PEDNEKAR |
| Date of Birth | 19/08/1983 |
| Date of appointment | 14/05/2011 |
| Qualifications | B.com |
| Experience | 12 years |
| Names of other Companies/ LLPs in which Directorship and the membership of Committees of the Board; held | <ol style="list-style-type: none">1. Icebit Reality Private Limited2. Purpal Mercantile Private Limited3. Jatan Developers Private Limited4. Empower India Limited5. Harrods Trading Private Limited6. Abhimanyu Commosales LLP7. Gittanjali Commosales LLP8. Hansraj Commosales LLP |
| No. of Shares held | NIL |

Directors' report

To,
The Members,
KAVIT INDUSTRIES LIMITED

Your Directors have pleasure in presenting the Report on the business and operations of the Company together with the Audited Accounts for the year ended 31st March, 2014.

FINANCIAL HIGHLIGHTS:

| Particulars | Year Ended March 31, 2014 | Year Ended March 31, 2013 |
|--|------------------------------|------------------------------|
| | (Amt. in Rupees) | |
| Turnover | 74,33,691.81 | 1,74,55,928.00 |
| Other Income | 64,62,963.64 | 11,35,076.00 |
| Expenditure | 1,31,37,881.11 | 1,83,53,530.00 |
| Profit(Loss) Before Taxes | 7,58,774.34 | 2,37,474.00 |
| Taxes expenses | | |
| Current Tax | 58,450.00 | 1,82,047.00 |
| Deferred Tax | NIL | NIL |
| Profit after Tax available for appropriation | 7,00,324.34 | 55,427.00 |
| Dividend | NIL | NIL |
| Balance carried forward to Balance Sheet | 7,00,324.34 | 55,427.00 |

OPERATIONAL PERFORMANCE:

The Indian economy is witness of the downturn in all industries during the financial year 2013-14. Due to struggling environment the turnover of the Company was reduced considerably however due to conservative approach of the Company the expenditures of the Company are also reduced substantially as compared to previous financial year and the Company has earned more than 3 times of profit against the profit of previous financial year.

DEPOSITS:

During the year the Company has not accepted any deposits from the public under section 58A and section 58AA of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975.

DIVIDENDS:

In the view of long run interest of the company, your Directors do not recommend any dividend.

PARTICULARS OF EMPLOYEES:

There is nothing to report pursuant to the information required under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, forms part of this report, as there are no employees drawing the said salary above the limits prescribed under the said section.

INSURANCE:

Movable and fixed Assets are adequately insured.

THE CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING/OUTGO:**> Conservation of Energy**

The Company does not have material information required under Section 217 (I) (e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Board of Directors) Rules, 1988 to offer and hence no particulars have been furnished.

> Foreign Exchange Earning/Outgo

There were no foreign exchange earnings or outgo during the year.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors of company confirms:

- > that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- > that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- > that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- > that the directors had prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE:

The Company has been following the principles and practices of good Corporate Governance and has ensured compliance of the requirements stipulated under Clause – 49 of the Listing Agreement with the Stock Exchanges.

A detailed report on Corporate Governance along with Certificate issued by Practicing Chartered Accountants in terms of Clause – 49 of the Listing Agreement is attached which forms part of this Report.

MANAGEMENT DISCUSSION AND ANALYSIS:

A report on Management Discussion and Analysis forms part of this Report and it deals with the Business, Operations and Financial Performance etc.

DIRECTORS:

Mr. Kavit Thakkar, Mr. Chirag Thakkar and Mr. Hirenkumar Rao were appointed as an Additional Director of the Company whose terms of office shall vacate at ensuing Annual General Meeting. Your Directors recommend their reappointments for your approval.

Mr. Amit Shah, Jigar Motta, Kiran Soni and Nikhil Pednekar, Directors are Independent Director of the Company. With the intent to align their terms of office of Independent Director in accordance with the new Companies Act, 2013 they will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. Your Directors recommend their reappointments for your approval.

AUDITORS:

The Auditors, M/s. N. R. Parikh & Co., Chartered Accountants, has resign from the office with effect from 13th February 2014 because of his pre-occupation elsewhere and to fill up the vacant position of Statutory Auditor, the Company has appointed M/s. Sheetal Samriya & Associates, Chartered Accountant as statutory Auditor of the Company for the financial year 2013-14 whose terms of office shall expire at conclusion of ensuing Annual General Meeting. Hence, the Directors recommend to re-appoint M/s. Sheetal Samriya & Associates, Chartered Accountants, as the Statutory Auditors of the Company at the forthcoming Annual General Meeting of the Company to hold office till the conclusion of the next Annual General Meeting of the Company.

AUDITORS REPORT:

There are no qualifications or adverse remarks in the Auditors' Report which requires any clarifications / explanations. The notes to accounts forming part of the financial statements are self explanatory.

CHANGE OF NAME:

During the Financial Year, the Company has changed its name from "Atreya Petrochem Limited" to "Kavit Industries Limited" by passing of Special Resolution at the Annual General Meeting of the Company was held on 30th September, 2013.

ACKNOWLEDGEMENT:

The Directors would like to thank clients, shareholders, vendors, government agencies, bankers & all other business associates for their continued support during the year. We place on record our appreciation for the contributions made by the employees at all levels.

Date: 30/05/2014

Place: Vadodara

For, Kavit Industries Limited
SD/-

Jayesh R. Thakkar
Chairman



REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

KAVIT INDUSTRIES believes that good Corporate Governance practices ensure ethical and efficient conduct of the affairs of the Company and also help in maximizing value for all its stakeholders like customers, creditors, shareholders, employees, government and society at large in order to build an environment of trust and confidence among all the constituents. The Company endeavors to uphold the principles and practices of Corporate Governance to ensure transparency, integrity and accountability in its functioning. KAVIT INDUSTRIES recognizes that good Corporate Governance is a continuous exercise and reiterates its commitment to pursue highest standards of Corporate Governance in the overall interest of all its stakeholders. For effective implementation of the Corporate Governance practices, KAVIT INDUSTRIES has a well-defined policy framework, full filling the criteria of Companies Act and any other Act applicable to the Company, inter alia consisting of the following:-

- › Code of Conduct for Directors and Senior Management Personnel
- › Code of Conduct for prevention of Insider Trading
- › Enterprise Risk Management Policy
- › Integrity Pact to enhance transparency in business
- › Whistle Blower Policy
- › Conduct, Discipline and Appeal Rules for employees
- › Human Resources initiatives.

2. BOARD OF DIRECTORS

a. Composition of Board of Directors

The Board of KAVIT INDUSTRIES comprise of optimum combination of Executive (Whole-time) and Non-Executive (Non whole-time) Directors. The composition of the Board of Directors as on 31.03.2014 is given below:-

| NAME | CATEGORY |
|-----------------------------|----------------------|
| Jayesh Raichandbhai Thakkar | Managing Director |
| Jigar Premchand Motta | Independent Director |
| Kiran JethalalSoni | Independent Director |
| Nikhil PranayPednekar | Independent Director |
| Amit Tarachand Shah | Independent Director |
| KavitJayeshbhai Thakkar | Additional Director |
| ChiragVinodchandra Thakkar | Additional Director |
| Hirenkumar Pravinsinh Rao | Additional Director |

b. Board Meetings

The Board of Directors oversees the overall functioning of the Company and has set strategic goals in order to achieve its Vision. The Board defines the Company's policy and oversees its implementation in attaining its goal. The Board has constituted various committees as per the provisions of the Companies Act, to facilitate the smooth and efficient flow of decision making process.

None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which he is a Director.

The Board of Directors meets at least once in every quarter to approve the financial results in compliance with the Listing Agreement and more often, if necessity prevails.

During the year, Eight Board Meetings were held on 30th May 2013; 14th August 2013; 14th November 2013; 29th November 2013; 2nd January 2014; 13th February 2014; 18th February 2014 and 12th March 2014.

c. Attendance of each Director at Board Meetings held during the Financial Year 2013-14 and last Annual General Meeting

| NAME | No. of Board meetings attended during 2013-14 | Whether present at the last AGM |
|-----------------------------|--|--|
| Jayesh Raichandbhai Thakkar | 6 | Yes |
| Jigar Premchand Motta | 6 | Yes |
| Kiran Jethalal Soni | 6 | Yes |
| Nikhil Pranay Pednekar | 6 | Yes |
| Amit Tarachand Shah | 6 | Yes |
| Kavit Jayeshbhai Thakkar | - | N.A. |
| Chirag Vinodchandra Thakkar | - | N.A. |
| Hirenkumar Pravinsinh Rao | - | N.A. |

d. 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;
- 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 details of risk evaluation and internal controls;
- reviewing reports on progress made on the ongoing projects;

e. Code of Conduct

The Code of Conduct for the Directors and Senior Management Personnel of the Company has been laid down by the Board, which has been circulated to all concerned persons. The Directors and Senior Management personnel of the Company have affirmed compliance with the provisions of the KAVIT INDUSTRIES Code of Conduct for the financial year ended 31.03.2014.

3. AUDIT COMMITTEE

The Audit Committee has been constituted in line with the provisions of Clause 49 of the Listing Agreement and also meets the requirements of Section 292A of the Companies Act, 1956. The members of the Audit Committee have requisite financial and management expertise. The terms of reference and powers of the Audit Committee are as mentioned in clause 49 II (D) of the Listing Agreement entered into with stock exchanges.

| NAME | DESIGNATION | CATEGORY OF DIRECTOR |
|------------------------|-------------|----------------------|
| Jigar Premchand Motta | Chairman | Independent Director |
| Kiran Jethalal Soni | Member | Independent Director |
| Nikhil Pranay Pednekar | Member | Independent Director |
| Jayesh R. Thakkar | Member | Executive Director |

During the year and as per the requirement of the Act, Four Audit Committee Meetings were held on 30th May 2013; 14th August 2013; 14th November 2013; and; 13th February 2014.

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:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions

- g. 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 utilisation 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 existing.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

4. REMUNERATION COMMITTEE

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

Following Directors comprises in Remuneration Committee:

| NAME | DESIGNATION | CATEGORY OF DIRECTOR |
|------------------------|--------------------|-----------------------------|
| Jigar Premchand Motta | Chairman | Independent Director |
| Kiran Jethalal Soni | Member | Independent Director |
| Nikhil Pranay Pednekar | Member | Independent Director |
| Jayesh R. Thakkar | Member | Executive Director |

SHAREHOLDERS' / INVESTORS GRIEVANCE 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 |
|------------------------|--------------------|-----------------------------|
| Jigar Premchand Motta | Chairman | Independent Director |
| Kiran Jethalal Soni | Member | Independent Director |
| Nikhil Pranay Pednekar | Member | Independent Director |
| Jayesh R. Thakkar | Member | Executive Director |

5. GENERAL BODY MEETINGS

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

| | 2010-11 | 2011-12 | 2012-13 |
|--|--------------------------------|---------------------------------|---------------------------------|
| Date | 28 th December 2011 | 29 th September 2012 | 30 th September 2013 |
| Time | 08:00 A.M. | 11:00 A.M. | 11:00 A.M. |
| No. of Special Resolutions Passed | 1 (one) | Nil | 1 (one) |

6. DISCLOSURES

h. Materially significant related party transactions.

The Company has not entered into any materially significant related party transactions with the Directors or the Senior Management Personnel or their relatives.

i. Details of non-compliance during the last three years

During the Financial Year, there were no cases of non-compliance by the Company and no penalties/strictures 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.

j. 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.

7. GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting:

Date: 23rd September, 2014

Time: 09:00 A.M

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

b. Financial Calendar for 2013-14 to approve quarterly / annual financial results:

| | |
|---|---------------------------------|
| Audited results for the quarter & year to date ending on 31 st March, 2013 | 30 th May 2013 |
| Unaudited results for the quarter ending on 30th June 2013 | 14 th August, 2013 |
| Unaudited results for the quarter ending on 30th September 2013 | 14 th November, 2013 |
| Unaudited results for the quarter ending on 30th December 2013 | 13 th February, 2014 |

c. Book Closure Dates:

17/09/2014 to 23/09/2014, (both days inclusive)

d. Listing on Stock Exchanges:

Bombay Stock Exchange Ltd.
Vadodara Stock Exchange Ltd.
Ahmedabad 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. Stock Market Data:

| Month | High | Low | No. of Shares | BSE Sensex | |
|----------------|-------|-------|---------------|------------|-----------|
| | | | | High | Low |
| Apr-13 | 06 | 06 | 100 | 19,622.68 | 18,144.22 |
| May-13 | 11.18 | 5.99 | 3,763 | 20,443.62 | 19,451.26 |
| June-13 | 13.63 | 11.73 | 6,337 | 19,860.19 | 18,467.16 |
| July-13 | 14.04 | 12.80 | 56,608 | 20,351.06 | 19,126.82 |
| Aug-13 | 13.72 | 12.19 | 60,715 | 19,569.20 | 17,448.71 |
| Sep-13 | 11.60 | 11.05 | 10 | 20,739.69 | 18,166.17 |
| Oct-13 | 10.50 | 8.59 | 225 | 21,205.44 | 19,264.72 |
| Nov-13 | 8.17 | 6.70 | 1,025 | 21,321.53 | 20,137.67 |
| Dec-13 | 10.46 | 7.03 | 4,128 | 21,483.74 | 20,568.70 |
| Jan-14 | 14.75 | 10.01 | 8,151 | 21,409.66 | 20,343.78 |
| Feb-14 | 14.45 | 11.75 | 1,600 | 21,140.51 | 19,963.12 |
| Mar-14 | 12.94 | 9.38 | 100 | 22,467.21 | 20,920.98 |

a. Registrar & Transfer Agents (R&T): M/s. Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (w), Mumbai-400078,
Tel.: (22) 25963838,
Fax: (22) 25946969,
E-mail: rnt.helddesk@linkintime.co.in

b. Distribution of shareholding as on 31st March 2014:

| Range of Holding | No. of shareholding | % to total shareholders | No. of shares | % to total shares |
|------------------|---------------------|-------------------------|---------------|-------------------|
| 1-500 | 3769 | 75.3649 | 1041603 | 16.1489 |
| 501-1000 | 744 | 14.8770 | 661319 | 10.2530 |

| | | | | |
|---------------|-------------|-----------------|----------------|-----------------|
| 1001-2000 | 261 | 5.2190 | 400333 | 6.2067 |
| 2001-3000 | 75 | 1.4997 | 191860 | 2.9746 |
| 3001-4000 | 35 | 0.6999 | 128646 | 1.9945 |
| 4001-5000 | 25 | 0.4999 | 121092 | 1.8774 |
| 5001-10000 | 39 | 0.7798 | 295787 | 4.5858 |
| 10001 & above | 53 | 1.0598 | 3609360 | 55.9591 |
| TOTAL | 5001 | 100.0000 | 6450000 | 100.0000 |

c. Shareholding Pattern as on 31st March 2014:

| Category | No. of shares held | % of total shares |
|------------------------------------|---------------------------|--------------------------|
| Promoters | 2465600 | 38.23 |
| Mutual funds | 140000 | 2.17 |
| Other Bodies Corporate | 210525 | 3.26 |
| NRI/OCBs (other than promoters) | 7700 | 0.12 |
| Indian Public | 3600422 | 55.82 |
| Others(Clearing Members) | 25753 | 0.40 |
| TOTAL | 6450000 | 100.00 |

d. Break up of shares in physical and Demat Segment as on 31st March 2014:

| Segment | No. of shares held | % to total shares |
|----------------|---------------------------|--------------------------|
| Physical | 3476900 | 53.91 |
| Demat | 2973100 | 46.09 |
| TOTAL | 6450000 | 100.00 |

e. Address for Correspondence:

M/s. Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (w), Mumbai-400078,
Tel.: (22) 25963838,
Fax: (22) 25946969,
E-mail: rnt.helddesk@linkintime.co.in

f. Project Location: Tundao, Anjesar Road, Village Tundao,
Taluka: Savli, Vadodara-391775, Gujarat.

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 2013-14 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

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 as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company. 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.

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 Clause 49 of the above mentioned Listing Agreement.

For Sheetal Samriya & Associates
Chartered Accountants,
(Firm Registration No.: 011478C)

SD/-

Abhitesh Dubey
Partner
(Membership No.: 147923)
Vadodara, 30 May, 2014

CEO/CFO CERTIFICATION

To,
The Members,
KAVIT INDUSTRIES LIMITED

I hereby confirm that all the members of the Board and Senior Management have affirmed compliance with the Code of Conduct. The Chairman and CEO/CFO have issued requisite certificates to the Board pursuant to Clause 49 of the Listing Agreement.

Date: 30/05/2014
Place: Vadodara

For, Kavit Industries Limited

SD/-
Jayesh R. Thakkar
Chairman

CODE OF CONDUCT COMPLIANCE

To,
The Members,
KAVIT INDUSTRIES LIMITED

As provided under clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the senior personnel have confirmed compliance with the Code of Conduct for the year ended on 31st March, 2014.

Date: 30/05/2014
Place: Vadodara

For, Kavit Industries Limited

SD/-
Jayesh R. Thakkar
Chairman

Management Discussion and Analysis Report

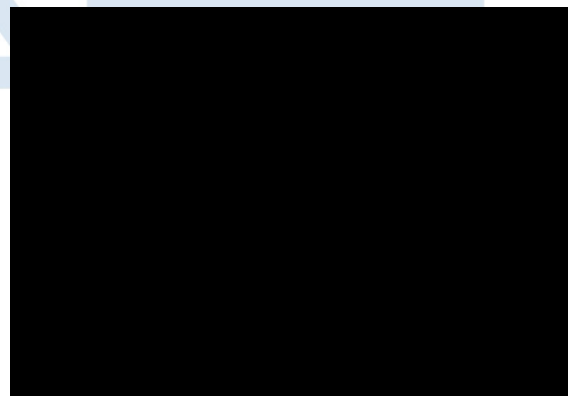
The management of Kavit Industries Ltd. presents the analysis of the Company for the year ended on 31st March, 2014 and its outlook for the future. This outlook is based on assessment of the current business environment. It may vary due to future economic and other developments both in India and abroad. This Management Discussion and Analysis ("MD&A") of Kavit Industries Ltd. for the year ended on 31st March, 2014 contains financial highlights but does not contain the complete financial statements of the Company. It should be read in conjunction with the Company's audited financial statements for the year ended on 31st March 2014.

A) The Indian Economy Snapshot:

The Indian economy weathered the global financial crisis rather well and quickly recovered from the decline in growth rate in 2008-09 to a healthy growth that averaged around 9% annually in 2009-10 and 2010-11. However, this recovery was short-lived and growth rate declined to 6.2% in 2011-12 and 5.0% in 2012-13, on account of both domestic and external factors. Despite some recovery in the growth of agriculture and industry sector, particularly in Q2 of the current financial year, the overall growth of the economy has been a modest 4.7% in Q3 of the year.

Slowing growth and rising inflation marked 2013 and the country looks forward and hope that the New Year will bring in new government and some good news. The economy's growth rate continued to slide throughout the year despite attempts by the government to stem the tide with a host of conventional and innovative measures. Phases of high inflation, driven mainly by rising prices of essential food items, added to the overall despondency in a year that saw the rupee dipping to its low estimated level ever against the US dollar and the current account deficit soaring to historic highs. The government tried to control the deficit by checking gold imports and promoting India as an investment destination. RBI supplemented the efforts by imposing restrictions and laying down stiff conditions for gold imports.

Given the performance in the first nine months and GDP growth of 4.9% projected by the Central Statistics Office (CSO) in its advance estimates for this financial year, the economy must expand 5.5% in the fourth quarter ending March 2014. Even, RBI expects growth to pick up to around 5.5% in



2014-15 after falling below 5% in 2013-14.

B) Petrochemical Industry in India

Petrochemicals play a vital role in the functioning of virtually all key sectors of economy which includes agriculture, infrastructure, healthcare, textiles and consumer durables. Petrochemical products cover the entire spectrum of daily use items ranging from clothing, housing, construction, furniture, automobiles, household items, toys, agriculture, horticulture, irrigation, and packaging to medical appliances etc.

The Indian oil and gas industry is expected to be worth US\$ 139,814.7 million by 2015. India's economic growth is closely connected to energy demand. The need for oil and gas is therefore projected to grow further, providing vast opportunities for investment.

To meet this demand, the Government of India has adopted various policies, such as allowing 100 per cent foreign direct investment (FDI) in many segments of the sector, such as natural gas, petroleum products, pipelines, and refineries. This move along with various others has made the oil and gas sector in India a more viable place to invest. Today, India's oil and gas sector attracts both domestic and foreign investment.

During the financial year the production of crude oil remained stagnant at 37.8 Million Metric Tonnes (MMT) as against 37.9 MMT in 2012-13. During FY 2013-14, the total consumption of petroleum products in India was 158.2 million tonnes (MT). The consumption stood at 14.2 MT in March 2014, according to data released by the Petroleum Planning and Analysis Cell, Ministry of Petroleum and Natural Gas.

The share of fuels in the country's exports surged from 5.59 per cent in 2003-04 to 20.05 per cent during 2013-14. Total exports of fuel products stood at US\$ 62.69 billion in value terms during FY 2013-14.

(Exchange Rate Used: INR 1 = US\$ 0.0166)

C) Industry structure and developments.

The Petrochemical sector has a significant growth potential. Although the current per-capita consumption of petrochemicals products is low, the demand for the same is growing. The US consumption has reached saturation level, china's consumption above industry curve is basically export led. India has the advantage of high population and expected to maintain high economic growth.

Kavit Industries Ltd. being leading manufacturers of lubricant oil. It manufacturing lubricant & Hydraulic oil. End use of our products may be at automotive industries, manufacturing industries and for marine & energy applications. Major sales of our products goes to automotive industries. According to data released by the Society of Indian Automobile Manufacturers (SIAM), domestic car sales in FY14 stood at 17,86,899 units as compared to 18,74,055 units in the previous fiscal. In the 2012-13, car sales in India fell by 6.69 per cent, which was the first decline in a decade. During the fiscal, total sales of vehicles across categories, however, were up 3.53 per cent in 2013-14 at 1,84,21,538 units as compared to 1,77,93,701 units in 2012-13. While Two-wheelers did well posting a growth of 7.31 per cent at 1,48,05,481 units as against 1,37,97,185 units in FY13. Motorcycle sales in 2013-14 stood at 10,479,817 units as against 1,00,85,000 units in the previous year, up 3.91 per cent. Scooters also posted a robust growth of 23.24 per cent during FY14 at 36,02,744 units as compared to 29,23,424 units in 2012-13. Commercial vehicles, however, continued to reel under a prolonged slump, posting a decline of 20.23 per cent at 6,32,738 units as against 7,93,211 units in the earlier fiscal.

D) About KAVIT

KAVIT was established to manufacture various petrochemical downstream products such as specialty oils, petroleum sulphonates, solvents, etc. for industrial applications such as rubber, leather, ink and paint industries. We market and sell our products under the Brand "Ecrol Lubricants". We have an up to date processing plant situated at Tundav Village in Gujarat on an eight

acre plot. Our plant is classified as Mini-Refinery to process crude oil and

hydrocarbons to various end products.

Ecrol is a well-entrenched brand in industrial oils. Ecrol products are manufactured to meet the norms laid down by BIS, API and JASO. High Quality Standards have been a critical element in the marketing strategy of Ecrol to capture a sizeable share in the domestic market in a short span of time. We are focused of delivering the best quality at an affordable price and continuous up-gradation to the State of the Art Technology.

History

The Kavit Industries Limited was originally incorporated with the name Jal Hi Power Petrochem Ltd, a public limited company and got listed at BSE in 1992. The name of the company was later on changed to Atreya Petrochem Limited on 21 September 2000. During the financial year, the Company has again changed its name to Kavit Industries Limited with the compliance of applicable provisions of Companies Act and SEBI Act.

Product line

Your Company produces many products like ERL 15W40 (API-CF4), APL20W40

(API-CF), ECY 4T – OIL (API-SL), ECY 2T (API-TC), ERL GEAR EP90 (GL-4), ERL

GEAR EP140 (GL-4), and many others which can be used for equipment's like

Auto, Car LMV, Trucks, Buses, Excavators, Tippers & Dozers Fitted with Tata, Ashok layland, Iveco, Hino engines as well as two wheeler, three wheeler, LMV,



Commercial vehicles, Tractors, MUV such as Safari, Scorpio, Sumo etc. & heavy-duty commercial vehicles. A brochure of our products is available on our website, [www. atreyapetrochem.com](http://www.atreyapetrochem.com).

E) Opportunities

The petrochemical industry in India has been one of the fastest growing industries in the country. This industry also has immense importance in the growth of economy of the country and the growth and development of manufacturing industry as well. It provides the foundation for manufacturing industries like construction, packaging, pharmaceuticals, agriculture, textiles etc. Petroleum products are useful materials derived from crude oil (petroleum) as it is processed in oil refineries. Major products of oil refineries includes asphalt, liquefied petroleum gas, diesel fuel, lubricating oils, fuel oils, gasoline, kerosene, paraffin wax, tar, petrochemicals. Product variation is fairly extensive depending on the requirements of the segment served. In many cases, specific customers have their own special requirements.

The global market for lubricating oil and greases is expected to reach 10 bn gallons by the year 2017, says the latest report titled “Lubricating Oils and Greases: A Global Strategic Business Report” by Global Industry Analysts.

The Indian lubricants industry claims to be the sixth largest in the world. The lubricating oil and grease are one of the most important sectors of the petrochemical industry. The lubricating oil and grease market in India is of the order of 1.3 million tonnes and is growing at around 4.5% annually. The moderate growth is paradoxically due to the supply of better quality of lubricants which have longer servicing capability. The lubricant market is estimated to grow to the level of 1.42 million tonnes in 2006-07 and to approximately 2 million tonnes in 2014-15.

The reasons for this growth are traced as recovery in GDP in economies globally, increase in demand for commodities and subsequent rise in industrial production, manufacturing activity, purchase of new industrial machinery and rising number of motor vehicle ownership worldwide.

Since modern life heavily depends on fuel driven machines and technology systems, machine fluids like lubricants and greases used for smooth functioning of machines, is expected to have steady growth. Though volume

growth is forecast to be slower, modernization in manufacturing machinery and increase in motor vehicle fleet will call for superior quality lubricants.

The demand for lubricants further increases with new vehicle sales, increasing vehicle population and increased focus and spending on maintenance are driving demand for automotive lubricants, increasing activity in the worldwide manufacturing industry is benefiting the market for industrial lubes including hydraulic fluids and process oils.

F) Threats

A steep rise in raw material costs on account of a drastic hike in crude oil prices may affect the profit margins of the company. Changes in Government policies, especially regarding import of Base Oil will have an adverse impact on the performance of the Company. However, considering the multifarious purposes for which the Base Oil is used and the domestic supplies are not adequate to meet the domestic Demand, the possibilities for such adverse changes in Government policies appear to be remote.

G) Outlook

India's petrochemical industry, which was hurt in 2013 by an economic slowdown and the depreciation of the Indian currency, is expected to recover in the near term, and the industry's long-term prospects are looking very positive, say experts and manufacturers in the country. A number of Indian state-owned energy companies are making major investments to boost their petrochemical activities and are expected to become significant players in the sector. Capacity expansions by several other manufacturers are moving ahead and gradually filling the gap between domestic demand and supply.

Overall, the outlook for the petrochemical industry in India is somewhat more positive than it has been recently, as growth in GDP and industrial output is expected to be higher in 2014-15 than in the prior year, and key end-use industries like automotive, packaging, and consumer durables reflect this outlook.

H) Risks and concerns.

The lubricant market is highly competitive and consists of a large number of players including the state owned oil companies, large multinational players as well as local manufacturers. Besides, there are various regional players as well with small capacities. Aggressive pricing or discount strategies from the market leaders or other players, including new players, might have an adverse impact



on us. Intense competition is expected to continue in the market, presenting us with various challenges in our ability to maintain growth rates and profit margins. If we are unable to meet these competitive challenges, we could lose market share to our competitors and experience an overall reduction in our profits.

Environmental Risks

All phases of the oil business present environmental risks and hazards. As a result, they are subject to environmental regulation pursuant to a complex blend of federal, provincial, and municipal laws and regulations. The Company believes that it is in compliance with current applicable environmental rules and regulations.

Financial Risks

Financial risks associated with the petroleum industry include fluctuation in commodity prices, interest rates, and currency exchange rates and profitability of the Company depends on the prices and availability of the base oils. The prices of base oil have increased during the last year and have resulted in corresponding increase in cost of production. However, as a general practice in the industry, the higher input costs are passed on to the customers.

Operational Risks

Operational risks include competitive environmental factors, reservoir performance uncertainties and dependence upon third parties for commodity transportation & processing and a complex regulatory environment. The Company closely follows the applicable government regulations. The Company carries insurance coverage to protect itself against those potential losses that could be economically insured against.

I) Internal control systems and their adequacy

Your Company maintains an adequate and effective Internal Control system commensurate with its size and complexity. We believe that these internal control systems provide, among other things, a reasonable assurance that transactions are executed with management authorization and that they are recorded in all material respects to permit preparation of financial statements in conformity with established accounting principles and that the assets of

your Company are adequately safe-guarded against significant misuse or loss.

An independent Internal Audit function is an important element of your Company's internal control system. The internal control system is supplemented through an extensive internal audit program and periodic review by management and audit committee.

J) Performance

The Company has performed consistently well during the financial year 1st April 2013 to 31st March 2014. The standalone profit after tax increased by more than 12 times to ₹ 70.03 lac against ₹ 0.55 lac during the previous year.

The input cost during the year under review remained high on account of rising oil prices. However, the Company's focus on niche specialty products resulted in better realisations that enabled it to pass the incidence of higher input prices to its customers.

K) Human Resources.

The Company recognizes the importance and contribution of its human resources for its growth & development and values their talent, integrity and dedication. Company offers a highly entrepreneurial culture with a team based approach that we believe encourages growth and motivates its employees. The Company has been successful in attracting and retaining key professionals and intends to continue to seek fresh talent to further enhance and grow our business.

Independent Auditor's Report

To the Members of Kavit Industries Limited

(Formerly known as Atreya Petrochem Limited)

Report on the Financial Statement

We have audited the accompanying financial Statement of **Kavit Industries Limited (Formerly Known as Atreya Petrochem Ltd.)**(the Company) which comprises the Balance Sheet as at 31st March 2014, and the statement of Profit & 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

The Company's 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 flow of the company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. 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, 2014;
- 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, the cash flows for the year ended on that date.

Report on other legal and Regulatory Requirement

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, and Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, and Statement of Profit and Loss, 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, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Sheetal Samriya & Associates
Chartered Accountants,
(Firm Registration No.: 011478C)

SD/-
Abhitesh Dubey
Partner
(Membership No.: 147923)
Vadodara, 30 May, 2014

Annexure to Independent Auditor's Report

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

- (i) Having regard to the nature of the Company's business/activities/results/during the year, clause (vii),(xi),(xii),(xiii),(xix) of paragraph 4 of the Order are not applicable to the Company.

(ii) In Respect of its Fixed Assets:

- (a) As informed to us, the Company is in the process of compiling records to showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets, according to the practice of the Company are physically verified by the management at reasonable intervals, in a phased verification-programme, which, in our opinion, is reasonable, looking to the size of the Company and the nature of its business. As informed to us, no material discrepancies have been noticed on verification;
- (c) The Fixed Assets disposed-off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the company and such disposal has, in our opinion, not affected the going concern status of the company.

(iii) In Respect of its Inventory:

- (a) As informed to us, the Inventory of Finished and semi-finished goods and raw materials at works were physical verified by the management at reasonable intervals during the year. In our opinion, having regard to the nature and location of stock, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventory, and no material discrepancy were noticed on physical verification.

- (iv) The Company has granted loans to 2 company and listed in the register maintained under Section 301 of the Companies Act, 1956. The year balance of loans granted to these was ₹.115.77 Lacs. (P.Y. ₹.127.44 Lacs.)

In our opinion and according to the information and explanations given to us, the terms and condition of loan given to the parties covered under

in the register maintained under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the Company.

According to the information and explanations given to us, no repayment schedule has been specified and accordingly the question of regularity in payment of principal amount and interest wherever applicable does not arise. However the said loan is repayable on demand.

The Company has taken unsecured loans from 3 companies and 1 Directors listed in the Register maintained under Section 301 of the Companies Act, 1956. The year balance of loans taken from these was ₹.202.53 Lacs. (P.Y. ₹.164.39 Lacs)

In respect of above Loans taken, no repayment schedule has been specified with regard to the Interest / Repayment or any other terms and conditions.

- (v) In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (vi) According to the information and explanations given to us, the details of transaction that needed to be entered in the register in pursuance of section 301 of the Company Act, 1956, have been so entered. According to information and explanations given to us, the transactions of purchase and sale of goods/services made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vii) The Company has not accepted deposits from other corporate which attracting the provisions of section 58A and 58AA of the Companies Act, 1956, and the rules framed there under.
- (viii) The system of internal audit of the Company needs to be strengthened and commensurate with the size and nature of its business.
- (ix) **In respect of statutory dues:**
 - (a) According to the information, explanation and records verified by us the Company has generally been regular in depositing Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom duty, Excise Duty, Cess, other material statutory dues applicable to it with the appropriate



authorities. We are informed that the company intends to obtains exemption from Provident Fund, Employees state insurance Act.

- (b) There were no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Excise Duty, Custom Duty, Cess and other material statutory dues in arrears as at 31 March, 2014 for a period of more than six months for the date they become payable, Except for Motor Spirit Tax of ₹.226238/-.

- (c) Details of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31 March, 2014 on account of disputes are given below:

| Name of the Statute | Nature of Dues | Forum where Dispute is pending | Period to which amount relates | Amount involved (Amount in ₹.) |
|--------------------------|----------------|--------------------------------|--------------------------------|--------------------------------|
| Income Tax Act, 1961 | Income Tax | Tribunal | A.Y.1999-2000 | 16,64,300 |
| | Income Tax | Tribunal | A.Y.2000-2001 | 1,41,41,065 |
| | Income Tax | Assistant Commissioner | A.Y.2003-2004 | 12,820 |
| | Income Tax | Assistant Commissioner | A.Y.2004-2005 | 5,781 |
| Central Excise Act, 1944 | Excise Duty | Remanded by Authority | A.Y.2000-2001 | 8,87,65,288 |

- (x) Accumulated losses at the end of financial year ended on 31st March, 2014 is ₹. 1,32,23,922.49/- which does not exceed 50% of its net worth and it has not incurred cash losses in the financial year ended on the date and in the immediately preceding financial Year.
- (xi) The Company is dealing in or trading in share, securities, Debenture or other investment. The Company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. Further such securities have been held by the Company in its own name or are in the process of transfer in its own Company name.
- (xii) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xiii) According to the information and explanations given to us and as per records made available for our verification, the Company has not taken any term loan during the year.

- (xiv) In our opinion and according to the information and explanation given to us and overall examination of the balance sheet of the company, we report that funds raised on short term basis have, prima facie, not been used during the year for long term investment.
- (xv) As the Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under Section 301 of the Act, the provisions of clause 4(xviii) of the Order are not applicable to the Company.
- (xvi) The Company has not raised any money by public issue during the year.
- (xvii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud was noticed or reported during year.

For Sheetal Samriya& Associates
Chartered Accountants,
(Firm Registration No.:011478C)

SD/-
Abhitesh Dubey
Partner
Membership No.: 147923
Vadodara, 30 May, 2014.

BALANCE SHEET AS AT MARCH 31, 2014

(Amount in ₹.)

| | Note No. | | As at 31/03/2014 | | As at 31/03/2013 |
|--|----------|--|------------------|--|------------------|
|--|----------|--|------------------|--|------------------|

| EQUITY AND LIABILITIES | | | | | |
|--|----|-----------------|-----------------------|-----------------|-----------------------|
| 1) Shareholders' Funds | | | | | |
| (a) Share capital | 2 | 64,500,000.00 | | 64,500,000.00 | |
| (b) Reserves and surplus | 3 | (13,223,922.49) | 51,276,077.51 | (13,902,841.00) | 50,597,159.00 |
| 2) Share application money pending allotment | | | 485,275,000.00 | | - |
| 3) Non-current liabilities | | | | | |
| (a) Long-term borrowings | 4 | 25404462.34 | | 21,211,102.00 | |
| (b) Deferred tax liabilities (Net) | | - | | - | |
| (c) Other long term liabilities | 5 | 38256348.94 | | 42,671,505.00 | |
| (d) Other long term provisions | 6 | - | 63660811.28 | - | 63,882,607.00 |
| 4) Current liabilities | | | | | |
| (a) Trade payables | 7 | 1651391.67 | | 3,260,910.00 | |
| (b) Other current liabilities | 8 | 386043.61 | | 1,961,403.00 | |
| (c) Short-term borrowing | 9 | - | | - | |
| (d) Other Short term provisions | 10 | 99837.00 | 2137272.28 | 284,491.00 | 5,506,804.00 |
| TOTAL | | | 602,349,161.66 | | 119,986,570.00 |
| ASSETS | | | | | |
| 5) Non-current Assets | | | | | |
| (a) Fixed Assets | 11 | | | | |
| (i) Tangible assets | | 28389844.00 | | 15,083,547.00 | |
| (ii) Intangible assets | | 0.00 | | - | |
| (iii) Capital work-in-progress | | 190988.00 | 28580832.00 | 13,190,712.00 | 28,274,259.00 |
| (b) Non-current investments | 12 | 31362730.15 | | 4,062,730.00 | |
| (c) Long-term loans and advances | 13 | 495688838.03 | | 37,620,509.00 | |
| (d) Other non-current assets | 14 | 20855414.06 | 547906982.24 | 44,833,259.00 | 86,516,498.00 |
| 6) Current Assets | | | | | |
| (a) Inventories | 15 | 3,603,120.00 | | 1,030,000.00 | |
| (b) Trade receivables | 16 | 20907200.77 | | 1,768,503.00 | |
| (c) Cash and Bank Balances | 17 | (125,557.04) | | 368,572.00 | |
| (d) Short-term loans and advances | 18 | 110,000.00 | | 1,607,365.00 | |
| (e) Other Current Assets | 19 | 1366583.69 | 25861347.42 | 421,373.00 | 5,195,813.00 |
| TOTAL | | | 602,349,161.66 | | 119,986,570.00 |
| Summary of significant accounting policies | 1 | | | | |
| The Notes are an integral part of financial statements | | | | | |
| <p>This is the Balance sheet referred to in our report even date</p> <p>For Sheetal Samriya & Associates Chartered Accountants Firm Registration No.: 011478C</p> <p>SD/- Abhitesh Dubey Partner Membership No.147923 Vadodara, 30 May, 2014.</p> <p>For and on behalf of the Board of Directors of Kavit Industries Limited</p> <p>SD/- Mr. Jayesh Thakkar Managing director</p> <p>SD/- Mr. Chirag Thakkar Director</p> | | | | | |

(Amount in ₹.)

| | Note No. | | Year ended 31/03/2014 | | Year ended 31/03/2013 |
|---|----------|----------------|---|---------------|--------------------------|
| 1) REVENUE | | | | | |
| (a) Revenue from operations (Net of Excise Duty) | 20 | 7,433,691.81 | 7,433,691.81 | 17,455,928.00 | 17,455,928.00 |
| (b) Other income | 21 | | 6,462,963.64 | | 1,135,076.00 |
| Total Revenue | | | 13,896,655.45 | | 18,591,004.00 |
| 2) EXPENSE | | | | | |
| (a) Cost of Material Consumed | 22 | 77,52,080.15 | | 6,367,870.00 | |
| (b) Purchases of stock-in-trade | 23 | 12,75,244.00 | | 78,31,390.00 | |
| (c) Changes in inventories of finished goods, WIP | 24 | (17,03,450.00) | | 1,874,500.00 | |
| (d) Employee benefits expense | 25 | 601,942.00 | | 392,651.00 | |
| (e) Finance costs | 26 | 73,948.30 | | 11,918.00 | |
| (f) Depreciation and amortization expense | 11 | 2,052,527.00 | | 1,021,086.00 | |
| (g) Other expenses | 27 | 3,085,589.66 | 13,137,881.11 | 854,115.00 | 18,353,530.00 |
| Total Expenses | | | 13,137,881.11 | | 18,353,530.00 |
| 3) Profit before Exceptional Items and Tax | | | 758,774.34 | | 237,474.00 |
| 4) Exceptional Items (Net) | | | - | | - |
| 5) Profit before Tax | | | 758,774.34 | | 237,474.00 |
| 6) Tax Expenses: | | | | | |
| (a) Current Tax | | | 58,450.00 | | 182,047.00 |
| (b) Mat Credit | | | - | | - |
| (c) Deferred Tax | | | - | | - |
| 7) Profit After Tax | | | 700,324.34 | | 55,427.00 |
| 8) Nominal value per share | | | | | |
| Basic value per share | | | 0.11 | | 0.01 |
| Diluted Earning per share | | | 0.11 | | 0.01 |
| Summary of significant accounting policies | 1 | | | | |
| The Notes are an integral part of financial statements | | | | | |
| This is the Profit and Loss Statement referred to in our report even date For Sheetal Samriya & Associates Chartered Accountants Firm Registration No.: 011478C SD/- Abhitesh Dubey Partner Membership No.147923 Vadodara,30 May,2014. | | | For and on behalf of the Board of Directors of Kavit Industries Limited SD/- Mr Jayesh Thakkar Managing director SD/- Mr. Chirag Thakkar Director | | |

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(Amount in ₹.)

| | Year ended 31/03/2014 | Year ended 31/03/2013 |
|--|--------------------------|--------------------------|
| A. Cash Flow from Operating Activities : | | |
| Profit before Tax | 7,58,774 | 2,37,474 |
| Adjustments for: | | |
| Depreciation and Amortisation Expense | 20,52,527 | 10,21,086 |
| Other non-operating income (Incl Written - off) | (55,30,780) | 1,11,306 |
| Interest expense | 2,860 | 4,915 |
| Preliminary Expenses W off | 1,24,087 | 1,24,087 |
| Income Tax Provision | - | 1,82,047 |
| Dividend Income | - | 1,18,750 |
| Operating Profit before Working Capital changes | (25,92,532) | 11,98,071 |
| Adjustments for : | | |
| Inventories | (25,73,120) | 40,53,000 |
| Trade receivables and Other Receivable | (1,91,38,698) | (66,97,807) |
| Trade payable and Other Payables | (33,25,772) | 38,70,548 |
| Increase/(Decrease) in provisions | - | (2,09,864) |
| Cash Generated from Operation | (2,76,30,121) | 22,13,948 |
| Direct Tax Paid | (1,02,210) | 4,00,000 |
| Net Cash inflow from/ (outflow) from Operating activities | (2,77,32,331) | 26,13,948 |
| B. Cash Flow from Investing Activities : | | |
| Purchase of fixed assets | (23,71,100) | (1,26,48,084) |
| Purchase of Investments | (2,73,00,000) | - |
| Interest received | 55,30,780 | - |
| Dividend received | - | 1,18,750 |
| Net Cash inflow from/ (outflow) from Investing activities | (2,41,40,320) | (1,25,29,334) |
| C. Cash Flow from Financing Activities : | | |
| Proceeds / Repayment from Long Term Borrowing(Net) | (44,15,156) | 61,94,751 |
| Proceeds from Long Term Borrowing | 41,93,360 | - |
| Proceeds/ Repayment from Loans and Advances (Net) | (43,36,71,823) | 38,09,630 |
| Interest paid | (2,860) | (4,915) |
| Proceeds of Share Application money | 48,52,75,000 | - |
| Net Cash inflow from/ (outflow) from Financing activities | 5,13,78,521 | 99,99,466 |
| Net increase / (decrease) in cash and cash equivalents | (4,94,130) | 84,080 |
| Opening Cash and Cash Equivalents | | |
| Cash in hand | 1,84,682 | 9,521 |
| Bank balances | 1,83,890 | 2,74,971 |
| | 3,68,572 | 2,84,492 |
| Closing Cash and Cash Equivalents | | |
| Cash in hand | 3,34,010 | 1,84,682 |
| Bank balances | (4,59,567) | 1,83,890 |
| | (1,25,557) | 3,68,572 |

Additional Information :

1. The Above Cash Flow Statement has been prepared under the 'Indirect Method's set out in the Accounting Standard on 'Cash Flow Statement (AS-3)' issued by the Companies Accounting Standard Rules, 2006
2. Figures in bracket represent outflows.
3. Previous year figures have been recast/restated where necessary

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

For Sheetal Samriya & Associates
Chartered Accountants

Sd/-
Abhitesh Dubey
Partner
Membership No. 007854
Vadodara, 30 May, 2014.

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

sd/-
Mr Jayesh Thakkar
Managing director

sd/-
Mr. Chirag Thakkar
Director

Notes Forming Part of the Financial Statements

1. General 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 business process of manufacturing of various Petrochemical Downstream Products such as Specialty Oils, Petroleum Sulphonates, Solvents, etc. for Industrial Applications such as Rubber, Leather, Ink and Paint Industries. It is well recognized as a 'Partner of Choice' by leading Companies across the country.

2. Basis of preparation and presentation of financial statements

(a) Accounting Convention

The Accounts of the Company are prepared under the Historical Cost Convention on the Accrual Basis of Accounting in accordance with the Generally Accepted Accounting Principles in India ("GAAP") and in compliance with the mandatory Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, as amended, and with the relevant provisions of the Companies Act, 1956. The Financial Statements are presented in Indian Rupees rounded off to the nearest rupees.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting periods. Examples of such estimate include future obligations under employee benefit plans, income taxes, useful lives of fixed assets and intangible assets, impairment of assets, provision for doubtful debts etc. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could vary from these estimates. Appropriate changes in estimates are made as the management becomes aware of the changes in circumstances surrounding the estimates. Any revision to accounting estimates is recognized in the period in which such results are known/ materialized. Effect of material changes is disclosed in the notes to the financial statements.

The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisitions of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current-non-current classification of assets and liabilities.

(b) Tangible Assets, Depreciation

- i. Tangible assets are stated at Cost less Accumulated Depreciation, Impairment loss, if any, ascertained as per the Accounting Standard 28 (Impairment of Assets). Cost comprises the Purchase Price and any such costs attributable for the purpose of bringing the asset to its working condition for its intended use.
- ii. Tangible Assets under construction, Advances paid towards acquisition of Tangible Assets and Cost of Assets not ready for use as at the year end, are disclosed as Capital Work-In Progress.
- iii. In respect of Tangible Assets depreciation is provided on Straight line basis applying the rates specified in schedule XIV of Companies Act 1956 except Computer.
- iv. Tangible Assets below Rs.10000 are fully depreciated in the year of acquisition.

(c) Investment

Investments of long term-nature are stated at cost, less adjustment for any diminution, other than temporary, in the value thereof. Current Investment are stated at lower of cost or market value.

(d) Inventory

Finished and Semi-Finished Products produced and purchased by the company are carried at Cost and net realisable value, whichever is lower.

Work in Progress is carried at lower of cost and net realisable value.

Raw Material is carried at lower of cost and net realisable value.

Stores and Spares parts are carried at cost. Necessary provision is made and expensed in case of identified obsolete and non moving 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) Employee Benefits

Provision for Gratuity, Leave Encashment and bonus has not been made as none of the employee have completed the minimum qualified period of services.

(f) Impairment of Assets

At each balance sheet date, the management reviews the carrying amounts of each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the assets and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the assets. Cash flows used to determine value in use are derived from annual budgets and strategic plans of the cash generating units.

(g) Revenue Recognition

Sale are recognized on when substantial risks and rewards of ownership in the goods are transferred to the buyer i.e. delivery as per terms of sale.

(h) Other Income

Interest Income and income from Investments are accounted on accrual basis.

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

(i) 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.

(j) Taxes on Income

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred Tax is recognized for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets.

Deferred Tax Assets are recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

(k) Cash & Cash Equivalent

Cash & Cash Equivalent for the purpose of cash flow statement comprises of cash at bank and in hand and short term investments/ bank deposits with an original maturity of three months or less.

(l) Provisions

A Provision is recognized when company has a present obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(m) Trade Receivables:

In respect of Receivable for Sundry Debtors (Incl. Receivable on Sale of Investments) of Rs. 209.07 Lacs and Other Trade receivable, the amount of Bad & Doubtful Debts are is not ascertainable on account of non- receipt of confirmation from the party.

(n) In respect of loan and advances, the amount of bad and doubtful debts is not ascertainable on account of non- receipt of confirmation from the party.

(o) In the opinion of the Directors, Current Assets, Loans & Advances have values at which they are stated in the Balance Sheet, if realized in the ordinary course of business. The provision for depreciation and all known liabilities is adequate.

(p) Sundry Creditors, Unsecured loans, other liabilities, loans and advances, sundry debtors, and other current assets are subject to confirmation.

(q) Micro Small & Medium Enterprise: The Company is in the process of compiling the relevant information. Dues to Micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by us.

(r) Claims, Demands and Contingencies :

Details of disputed and/ or contingent Liabilities are as follows:

| | As on | As on |
|--|-------|-------|
| | | |

| | 31.03.2014 | 31.03.2013 |
|---|-------------------|-------------------|
| Bank Guarantee – Expired (Not Claimed by District Supply Office) | 78,345 | 78,345 |
| Motor Spirit Tax-Disputed (Remanded) | 92,50,463 | 92,50,463 |
| Income Tax Demanded-Disputed | 1,58,27,752 | 1,66,66,195 |
| Excise Duty – Disputed | 8,87,65,288 | 8,87,65,288 |

(s) In the opinion of the Management, the Provident Fund and ESI act are not applicable, hence no provision have been made for the same.

(t) Earning & Expenditure in Foreign Currency : Nil (P.Y. – Nil)

(u) Directors Remuneration: Nil (P.Y. – Nil)

(v) Auditors Remuneration : 60000 (P.Y.60000)

(w) Related party disclosures :

a. List of related parties with whom transaction have taken place.

| Sr. No. | Name of the Related Party | Relationship |
|--|--|--|
| 1. 2. 3. 4. 5. 6. 7. | Pacific Securities Ltd. Natural Expo Agro Ltd. Prabhav Industries Ltd. Galav Finance & Investment Pvt. Ltd. Kavit Investment Pvt. Ltd. Empire Housing Finance Ltd. Pacific Finstock Ltd. | Companies / Firms in which Directors / Relative of Director are interested |
| 8. | Jayesh Thakkar (Incl. Prop. Pavitra Corporation) | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | Director of the Company |

| | | |
|--------------------------|----------------------------|----------------------------|
| 2 SHARE CAPITAL : | | |
| AUTHORISED | As At 31 March,2014 | As At 31 March,2013 |

| | | |
|---|-----------------------|-----------------------|
| 65,00,000 Equity Shares of `10/- each | 650,000,000.00 | 650,000,000.00 |
| Total | 650,000,000.00 | 650,000,000.00 |
| ISSUED, SUBSCRIBED & PAID-UP | | |
| 64,50,000 Equity Shares of `10/- each | 64,500,000.00 | 64,500,000.00 |
| Total | 64,500,000.00 | 64,500,000.00 |

Terms/rights attached to equity shares :

2.1 The company has only one class of equity shares having a par value of `10/- per share. Each Holder of equity shares is entitled to vote per share. The company declares and of pays dividends in Indian rupees. The dividend proposed, if any, by the Board Directors is Meeting. During the year ended 31st March subject to the approval of the shareholders in the ensuing Annual General 2014, was ` Nil (Previous Year `Nil)the amount of per share dividend recognized as distributions to equity shareholders

2.2 The Company has issued 4,00,00,000 warrant fully convertible into equity shares of `15 each including premium of `5 during the current year.

2.3 The company has received `485275000 as share application money against 4,00,00,000 warrant Convertible issued.

2.4 Details of Share holders holding more than 5% of Shares are as under:-

| Name | Category | As at 31 March,2014 | | As at 31 March,2013 | |
|-----------------------------|----------|---------------------|--------------|---------------------|--------------|
| | | % of Shareholding | No of Shares | % of Shareholding | No of Shares |
| Jayeshbhai Raichand Thakkar | Promoter | 20.20% | 1302600 | 20.20% | 1302600 |
| Artiben Jayeshbhai Thakkar | Promoter | 5.26% | 339600 | 5.26% | 339600 |

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 ownerships of shares.

2.5 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year :-

| Particulars | As on 31-03-2014 | | As on 31-03-2013 | |
|---|---------------------|----------------------|---------------------|----------------------|
| | Number of Shares | Rs. in Lakhs | Number of Shares | Rs. in Lakhs |
| Outstanding at the beginning of the year | 6,450,000.00 | 64,500,000.00 | 6,450,000.00 | 64,500,000.00 |
| Add : Fresh issue during the year | --- | -- | -- | --- |
| Outstanding at the end of the year | 6,450,000.00 | 64,500,000.00 | 6,450,000.00 | 64,500,000.00 |

| | | |
|---------------------------------|----------------------------|----------------------------|
| 3 RESERVES AND SURPLUS : | As At 31 March,2014 | As At 31 March,2013 |
|---------------------------------|----------------------------|----------------------------|

| | | |
|--------------------------------------|------------------------|------------------------|
| | | |
| | | |
| a) Securities Premium Reserve | | |
| Opening at beginning | --- | --- |
| Addition during the year | --- | --- |
| Utilised during the year | --- | --- |
| Closing at end | --- | --- |
| | | |
| b) General Reserve | | |
| Opening at beginning | --- | --- |
| Addition during the year | --- | --- |
| Utilised during the year | --- | --- |
| Closing at end | --- | --- |
| | | |
| c) Surplus/(Deficit) | | |
| Opening at beginning | (13,902,841.00) | (13,958,268.00) |
| Addition during the year | 700,324.34 | 55,427.00 |
| Closing at end | (13,223,922.49) | (13,902,841.00) |
| Grand Total (a+b+c) | (13,223,922.49) | (13,902,841.00) |

| 4 LONG-TERM BORROWINGS : | As At 31 March,2014 | As At 31 March,2013 |
|--|----------------------------|----------------------------|
| Secured Term Loans | | |
| i) From Banks | --- | --- |
| ii) From Financial Institutions | --- | --- |
| iii) From NBFC | --- | --- |
| Sub-Total (a) | --- | --- |
| Unsecured Term Loans | | |
| i) Loans and Advances from related parties | | |
| From Directors | 500,000.00 | 341,640.00 |
| From Corporates | 20,432,025.34 | 16,097,025.00 |
| ii) Other Loans and Advances | | |
| From Corporates | 2,932,437.00 | 2,772,850.00 |
| Others | 1,540,000.00 | 1,999,587.00 |
| Sub-Total (b) | 25,404,462.34 | 21,211,102.00 |
| Total (a+b) | 25,404,462.34 | 21,211,102.00 |

4.1 All the Unsecured loans are without any repayment schedule but are payable on demand.

| 5 OTHER LONG TERM LIABILITIES : | As At 31 March,2014 | As At 31 March,2013 |
|--|----------------------------|----------------------------|
| Others | 38,256,348.94 | 42,671,505.00 |
| Total | 38,256,348.94 | 42,671,505.00 |

| 6 OTHER LONG TERM PROVISIONS : | As At 31 March,2014 | As At 31 March,2013 |
|---------------------------------------|----------------------------|----------------------------|
| Provision for Employee Benefits | | |
| Provision for Gratuity | --- | --- |
| Leave Encashment | --- | --- |
| Total | -- | --- |

6.1 The Management is of the Opinion that none of the employees falls within the provision of Gratuity, PF, ESIC and others, so no provision has been done.

| 7 TRADE PAYABLES : | As At 31 March,2014 | As At 31 March,2013 |
|---------------------------|----------------------------|----------------------------|
| Trade Payables* | 1,651,391.67 | 3,260,910.00 |
| Total | 1,651,391.67 | 3,260,910.00 |

*Trade payables are for goods purchased and services taken during the normal course of business.

7.1 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.

7.2 Trade Payable having scheduled payment beyond 12 months after reporting date ` Nil (Previous Year ` Nil)

| 8 OTHER CURRENT LIABILITIES : | As At 31 March,2014 | As At 31 March,2013 |
|--|----------------------------|----------------------------|
| Current Maturities of Long-Term Loans | | |
| Secured Term Loans | | |
| From Banks | --- | --- |
| From Financial Institutions | --- | --- |
| From NBFC | --- | --- |
| Total (a) | --- | --- |
| Unsecured Term Loans | | |
| From NBFC | --- | --- |
| Total (b) | --- | --- |
| Others | | |
| Creditors for capital Expenditure | --- | --- |
| Advance received from customers# | - | 1,559,302.00 |
| Statutory Dues | 386,043.61 | 402,101.00 |
| Others | --- | --- |
| Total (c) | 386,043.61 | 1,961,403.00 |
| Interest Accrued but not Due on Borrowings | --- | --- |
| Grand Total (a+b+c) | 386,043.61 | 1,961,403.00 |

8.1 Statutory dues includes VAT, Excise Duty, TDS, service tax & other statutory payables.

8.2 Advances received from customer includes advances against future Sales to be held in next 12 Months

8.3 Other Current liabilities includes rent payable, interest payable and staff dues.

| 9 SHORT-TERM BORROWINGS : | As At 31 March,2014 | As At 31 March,2013 |
|---------------------------------------|----------------------------|----------------------------|
| Secured | | |
| Working capital facilities from Banks | --- | --- |
| Sub-Total (a) | --- | --- |
| Unsecured | | |
| Deposits From Public | --- | --- |
| Loans From related parties | --- | --- |
| Loans From others | --- | --- |
| Sub-Total (b) | --- | --- |
| Total (a+b) | --- | --- |

| 10 SHORT-TERM PROVISIONS : | As At 31 March,2014 | As At 31 March,2013 |
|-----------------------------------|----------------------------|----------------------------|
| Provision for Employee Benefits* | | |
| Provision for Gratuity | --- | --- |
| Leave Encashment | --- | --- |
| Others# | 20,000.00 | 20,000.00 |
| Total (a) | 20,000.00 | 20,000.00 |
| Provision for Expenses | --- | --- |
| Provision for Income Tax | 79,837.00 | 264,491.00 |
| Total (b) | 79,837.00 | 264,491.00 |
| Total (a+b) | 99,837.00 | 284,491.00 |

*Provision for employee benefits includes provision of Gratuity, Bonus & leave encashment payable within 12 month

Others includes salary and other expense payable to staff.

| 12 NON-CURRENT INVESTMENTS : | As At 31 March,2014 | As At 31 March,2013 |
|---|----------------------------|----------------------------|
| A Trade Investments (Unquoted At Cost) | | |
| Other Investment | | |
| Investment in shares | 31,362,730.15 | 4,062,730.00 |
| | --- | --- |
| Sub-Total (a) | 31,362,730.15 | 4,062,730.00 |
| B Other Investments (Unquoted at Market Value) | | |
| | --- | --- |
| | --- | --- |
| Sub-Total (b) | --- | --- |
| Total (a+b) | 31,362,730.15 | 4,062,730.00 |
| Aggregate amount of quoted Investments | 31,362,730.15 | 4,062,730.00 |
| Market Value of quoted Investments | --- | --- |
| Aggregate book value of un-quoted Investments | 31,362,730.15 | 4,062,730.00 |

12.1 Investment in shares includes investments in various corporates & private limited companies. Investment are stated at cost.

| 13 LONG -TERM LOANS AND ADVANCES : | As At 31 March,2014 | As At 31 March,2013 |
|--|----------------------------|----------------------------|
| (Unsecured and Considered Good) | | |
| i) Loans and Advances from related parties | | |
| From Corporates | | |
| Others | 133,359.68 | 1,166,908.00 |
| Sub-Total (a) | 133,359.68 | 1,166,908.00 |
| ii) Other Loans and Advances | | |
| From Corporates | 492,706,553.85 | 34,365,394.00 |
| Others * | 2,848,924.50 | 2,088,207.00 |
| Sub-Total (b) | 495,555,478.35 | 36,453,601.00 |
| Total (a+b) | 495,688,838.03 | 37,620,509.00 |

*Other includes balances with statutory Authority, electricity deposits & lease rent deposits & others.

| 14 OTHER NON-CURRENT ASSETS : | As At 31 March,2014 | As At 31 March,2013 |
|--|----------------------------|----------------------------|
| (Unsecured and Considered Good) | | |
| Trade Receivables | 17,826,408.59 | 42,172,444.00 |
| Statutory Dues | 1,211,304.47 | --- |
| Others | 1,817,701.00 | 2,660,815.00 |
| Total | 20,855,414.06 | 44,833,259.00 |

*Others includes Miscellaneous Expenditure & Pre- operative Expense etc.

| 15 INVENTORIES : | As At 31 March,2014 | As At 31 March,2013 |
|--|----------------------------|----------------------------|
| (Valued at lower of cost & NRV whichever is less & certified by management) | | |
| Raw Material | 1,099,670.00 | 230,000.00 |
| Finished Goods | 2,022,142.00 | 800,000.00 |
| Work in Progress | 481,308.00 | --- |
| Total | 3,603,120.00 | 1,030,000.00 |

| 16 TRADE RECEIVABLES : | As At 31 March,2014 | As At 31 March,2013 |
|--|----------------------------|----------------------------|
| (Unsecured and Considered Good) | | |
| Outstanding for a period exceeding six months from the due date of payment | | |
| Considered Good | 20,907,200.77 | 1,768,503.00 |
| Doubtful | --- | --- |
| Others | | |
| Considered good | --- | --- |
| | 20,907,200.77 | 1,768,503.00 |
| Provision for doubtful trade receivables | --- | --- |
| Total | 20,907,200.77 | 1,768,503.00 |

| 17 CASH & BANK BALANCE : | As At 31 March,2014 | As At 31 March,2013 |
|-------------------------------------|----------------------------|----------------------------|
| Cash & Cash Equivalents | | |
| Cash on Hand | 334,009.67 | 184,682.00 |
| Balances with Bank | | |
| On current Accounts: | | |
| (With Scheduled Bank) | (459,566.71) | 183,890.00 |
| Total | (125,557.04) | 368,572.00 |

* The negative balance of the bank account is due to cheques issued but not presented to bank.

| 18 SHORT TERM LOANS & ADVANCES : | As At 31 March,2014 | As At 31 March,2013 |
|---|----------------------------|----------------------------|
| Loans & Advances to related parties | --- | --- |
| Advance to suppliers for goods & services* | 110,000.00 | 1,517,365.00 |
| Balance with Govt. authorities | --- | 90,000.00 |
| Others | --- | --- |
| Total | 110,000.00 | 1,607,365.00 |

*Advances to suppliers for goods & services includes advances against purchases & services which is received in next 12 Months.

| 19 OTHER CURRENT ASSETS : | As At 31 March,2014 | As At 31 March,2013 |
|----------------------------------|----------------------------|----------------------------|
| Statutory Dues | 180,000.00 | 421,373.00 |
| Others | 1,186,583.69 | --- |
| Total | 1,366,583.69 | 421,373.00 |

| 20 REVENUE FROM OPERATIONS | | |
|-----------------------------------|--------------------------------------|--------------------------------------|
| Particulars | Year Ended March 31, 2014 | Year Ended March 31, 2013 |
| Sale of Products (Gross) | 8,442,860.76 | 8,364,252.00 |
| Less: Excise Duty | 1,009,168.95 | - |
| Total | 7,433,691.81 | 8,364,252.00 |
| Sale of Shares | - | 9,091,676.00 |
| Other Operating Revenues | - | - |
| Total | 7,433,691.81 | 17,455,928.00 |

| 21 OTHER INCOME | | |
|--|--------------------------------------|--------------------------------------|
| Particulars | Year Ended March 31, 2014 | Year Ended March 31, 2013 |
| Interest Income | 583.69 | - |
| Rent Income | 900,000.00 | 900,000.00 |
| Dividend Income | - | 118,750.00 |
| Miscellaneous Income | 31,600.00 | 5,020.00 |
| Net gain/loss on sale of investments | - | - |
| Other non-operating income | 5,530,779.95 | 111,306.00 |
| (net of expenses directly attributable to such income including Written off) | | |
| Total | 6,462,963.64 | 1,135,076.00 |

| 22 COST OF MATERIAL CONSUMED | | |
|--------------------------------------|--------------------------------------|--------------------------------------|
| Particulars | Year Ended March 31, 2014 | Year Ended March 31, 2013 |
| Opening Stock of Raw Materials | 230,000.00 | 2,408,500.00 |
| Add: Purchases of Raw Materials | 86,21,750.15 | 41,89,370.00 |
| Less: Closing Stock of Raw Materials | 1,099,670.00 | 230,000.00 |
| Total | 77,52,080.15 | 63,67,870.00 |

| 23 PURCHASE OF STOCK-IN-TRADE | | |
|--------------------------------------|--------------------------------------|--------------------------------------|
| Particulars | Year Ended March 31, 2014 | Year Ended March 31, 2013 |
| Trading Purchase* | 12,75,244.00 | 78,31,390.00 |
| Total | 5,087,787.57 | 7,831,390.00 |

*Trading Purchase includes purchase of equity shares & Garments for trading.

| 24 CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS | | |
|--|--------------------------------------|--------------------------------------|
| Particulars | Year Ended March 31, 2014 | Year Ended March 31, 2013 |
| <u>Opening Inventory</u> | | |
| Finished Goods | 800,000.00 | 2,674,500.00 |
| Work in Progress | - | - |
| Sub Total (a) | 800,000.00 | 2,674,500.00 |
| <u>Closing Inventory</u> | | |
| Finished Goods | 2,022,142.00 | 800,000.00 |
| Work in Progress | 481,308.00 | - |
| Sub Total (b) | 2,503,450.00 | 800,000.00 |
| Total (a+b) | (1,703,450.00) | 1,874,500.00 |

| 25 EMPLOYEE BENEFIT EXPENSES | | |
|-------------------------------------|--------------------------------------|--------------------------------------|
| Particulars | Year Ended March 31, 2014 | Year Ended March 31, 2013 |
| Director's Remuneration | - | - |
| Salaries and incentives | 533,300.00 | 320,000.00 |
| Security Expenses | 68,642.00 | 72,651.00 |
| Total | 601,942.00 | 392,651.00 |

| 27 OTHER EXPENSES | | |
|---------------------------------------|--------------------------------------|--------------------------------------|
| Particulars | Year Ended March 31, 2014 | Year Ended March 31, 2013 |
| <u>MANUFACTURING EXPENSES</u> | | |
| Power & Fuel Charges | 940,497.28 | 55,620.00 |
| Labour & Wages Charges Expenses | 71,333.00 | - |
| Freight & Carting Charges | 217,646.00 | 33,430.00 |
| Other Direct Charges | 77,061.43 | 52,000.00 |
| Factory Expense | 20,766.00 | - |
| Sub Total (a) | 1,327,303.71 | 141,050.00 |
| <u>ADMINISTRATIVE EXPENSES</u> | | |
| Advertisement Expenses | 25,000 | 17,467.00 |
| Audit Fees | 67,416 | 67,416.00 |
| Building Maintenance Charges | 15,000 | - |

| | | |
|---|------------------|-------------------|
| Brokerage | - | 41,316.00 |
| License Fees | 73,287 | - |
| Listing Fees | 224,720 | 33,084.00 |
| Electricity Expenses | 543,942 | 109,626.00 |
| Miscellaneous Expenses | 19,973 | 56,211.00 |
| Legal & Professional Fees | 204,272 | 115,994.00 |
| Post and Courier Expenses | 53,600 | 300.00 |
| Printing & Stationery Expenses | 178,450 | 14,629.00 |
| Rent, Rates & Taxes | 92,000 | - |
| Registration & Filing Fees | 35,087 | 117,370.00 |
| Telephone Expenses | 5,818 | 3,329.00 |
| Travelling Expenses | 13,698 | 1,000.00 |
| Repairs & Maintenance | 21,447 | - |
| Sub Total (b) | 1,573,710 | 577,742.00 |
| OTHER EXPENSES | | |
| Preliminary & Shares Issued Expenses W-off. | 124,087 | 124,087.00 |
| Sales and Promotion Expenses | 60,489.07 | 11,236.00 |
| Sub Total (c) | 184,576 | 135,323.00 |
| Total (a+b+c) | 3,085,590 | 854,115.00 |

| | | |
|---|--------------------------------------|--------------------------------------|
| 27 - EARNINGS PER EQUITY SHARES | | |
| Particulars | | |
| | Year Ended March 31, 2013 | Year Ended March 31, 2012 |
| Basic Earnings per Share | | |
| Profit/(Loss) attributable to Equity shareholders | | |
| Weighted average number of equity shares | 700,324 | 55,427.00 |
| Basic Earnings Per Share | 6,450,000 | 6,450,000 |
| Face value per Share | 0.11 | 0.01 |
| | 10 | 10 |
| Dilutive Earnings per Share | | |
| Profit after adjusting interest on potential equity shares | | |
| Weighted average number of equity share after considering potential equity shares | 700,324 | 55,427 |
| Dilutive Earnings per Share | 6,450,000 | 6,450,000 |
| | 0.11 | 0.01 |

| 11 Fixed Assets | | | | | | | | | | | |
|------------------------|--|----------------------|------------------|------------------------------|---------------------------------|---------------------------|------------------|----------------------|-----------------------------|------------------------|---------------------|
| | | | | | | | | | | | Amount in `. |
| a) | Tangible Assets | Freehold Land | Building | Plant & Machinery | Furniture & Fixtures | Office Equipment's | Computers | Weight Bridge | Laboratory Equipment | Air conditioner | Total |
| | Gross Block as at 01.04.2013 | 1,294,309 | 6,508,297 | 21,701,258 | 318,492 | 687,434 | 158,040 | 647,905 | 421,271 | 198,612 | 31,935,618 |
| | Addition during the year | - | 1,769,734 | 13,559,423 | - | - | 3,000 | 11,500 | 4,667 | - | 15,348,324 |
| | Deduction during the year | - | - | - | - | - | - | - | - | - | - |
| | Revaluation / Impairments during the year | - | - | - | - | - | - | - | - | - | - |
| | Gross Block as at 31.03.2014 | 1,294,309 | 8,278,031 | 35,260,681 | 318,492 | 687,434 | 161,040 | 659,405 | 425,938 | 198,612 | 47,283,942 |
| | Accumulated Depreciation as at 01.04.2013 | - | 2,952,039 | 12,215,052 | 263,457 | 608,938 | 157,640 | 313,503 | 237,156 | 104,286 | 16,852,071 |
| | Depreciation during the year | - | 276,353 | 1,661,121 | 20,161 | 32,653 | 1,337 | 31,025 | 20,221 | 9,434 | 2,052,305 |
| | Depreciation on assets written off during the year | - | - | - | - | - | - | - | - | - | - |
| | Accumulated Depreciation as at 31.03.2014 | - | 3,228,392 | 13,876,173 | 283,618 | 641,591 | 158,977 | 344,528 | 257,377 | 113,720 | 18,904,376 |
| | Net Block as at 31.03.2014 | 1,294,309 | 5,049,639 | 21,384,508 | 34,874 | 45,843 | 2,063 | 314,877 | 168,561 | 84,892 | 28,379,566 |
| | Net Block as at 31.03.2013 | 1,294,309 | 3,501,913 | 9,228,502 | 49,995 | 70,331 | 343 | 326,709 | 179,114 | 91,969 | 14,743,185 |

| b) | Intangible Assets | Trade Marks | Amount in `. |
|-----------|--|--------------------|---------------------|
| | | | Total |
| | Gross Block as at 01.04.2013 | 0 | 0 |
| | Addition during the year | 10500 | 10500 |
| | Deduction during the year | 0 | 0 |
| | Gross Block as at 31.03.2014 | 10500 | 10500 |
| | Accumulated Depreciation as at 01.04.2013 | 0 | 0 |
| | Depreciation during the year | 222 | 222 |
| | Depreciation on assets written off during the year | 0 | 0 |
| | Accumulated Depreciation as at 31.03.2014 | 222 | 222 |
| | Net Block as at 31.03.2014 | 10278 | 10278 |

| | | |
|----------------------------|---|---|
| Net Block as at 31.03.2013 | 0 | 0 |
|----------------------------|---|---|

. KAVIT INDUSTRIES LIMITED

(formally known as Atreya Petrochem Limited)

Regi. Office: Vill : Tundao, Tal: Savli, Vadodara-391775, GujaratEmail: kavitindustrieslimited@gmail.com | Web.: www.atreyapetrochem.com**Phone No.:** 0265-2362000, 2361100 | **FAX:** 0265-2361551 | **CIN:** L23100GJ1990PLC014692**ATTENDANCE SLIP**

I hereby record my presence at the Annual General Meeting of the Company to be held at the Registered Office of the Company situated at Village Tundao, Savli, Baroda-391775, at 09:00 a.m. on 23rd September, 2014.

Name of the Shareholder(s) (In Block Capital):

Name of the Proxy (In Block Capital):

Folio No. / Client ID No.:

DP. ID No.:

Signature(s), if Shareholder(s):.....

If Proxy:.....

NOTE: No duplicate attendance slip will be issued at the Meeting hall. You are requested to bring your copy of the Notice of AGM to the Meeting. Photo copies of the Attendance slips will not be accepted. Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall.

Signature of Shareholder

Affix
Revenue
Stamp

Signature of Proxy Holder(s)

NOTE: This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

KAVIT INDUSTRIES LIMITED

(formally known as Atreya Petrochem Limited)

Regi. Office: Vill : Tundao, Tal: Savli, Vadodara-391775, GujaratEmail: kavitindustrieslimited@gmail.com | **Web.:** www.atreyapetrochem.com**Phone No.:** 0265-2362000, 2361100 | **FAX:** 0265-2361551 | **CIN:** L23100GJ1990PLC014692**PROXY FORM****[Pursuant to section 105 (6) of the Companies Act, 2013 and rules 19 (3) of the Companies (Management and Administration) Rules, 2014]**

| | |
|------------------------|--|
| Name of the Member(s): | |
| Registered Address: | |
| E-mail ID: | |
| Folio No/ Client No: | |
| DP ID: | |

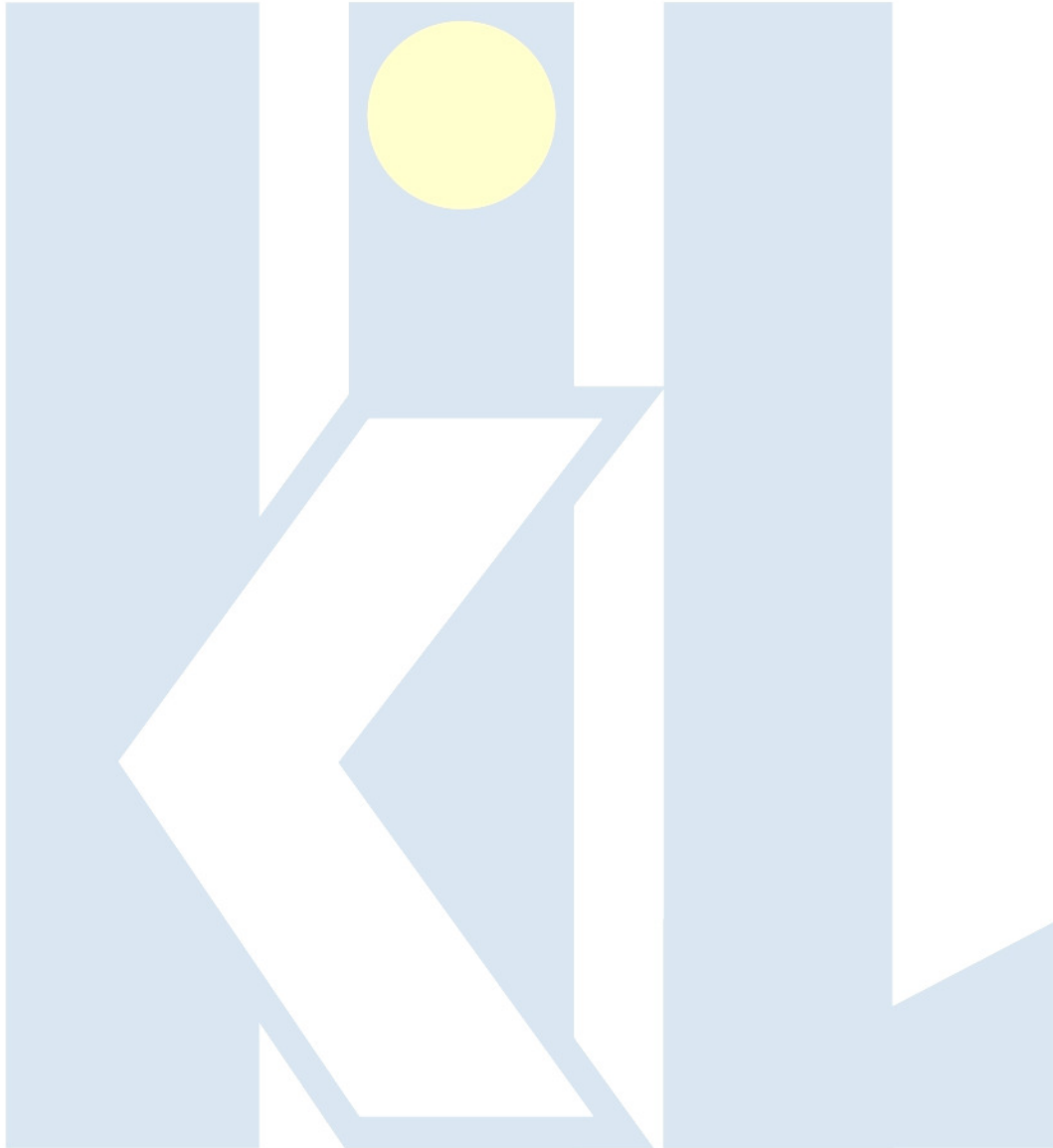
I/We..... being the member(s) of..... Shares of the above named Company, hereby appoint;

| | | |
|---|-----------|------------|
| 1 | Name: | Address: |
| | Email ID: | Signature: |
| 2 | Name: | Address: |
| | Email ID: | Signature: |
| 3 | Name: | Address: |
| | Email ID: | Signature: |

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 the Tuesday, the 23rd day of September, 2014 at 09:00 AM and at any adjournment thereof in respect of such resolutions as are indicated below:


| Reso. No. | Description | For | Against |
|-----------|---|-----|---------|
| 01 | Adoption of the Financial Statements including Audited Balance Sheet, Statement of Profit and Loss account and Cash Flow Statement for the year ended March 31, 2014 along with the Reports of the Auditors and Directors thereon | | |
| 02 | Appointment of Auditors of the Company and fixing their remuneration | | |
| 03 | Appointment of Mr. Jigar Premchand Motta as an Independent Director of the Company | | |
| 04 | Appointment of Mr. Kiran Jethalal Soni as an Independent Director of the Company | | |
| 05 | Appointment of Mr. Nikhil Pranay Pednekar as an Independent Director of the Company | | |
| 06 | Appointment of Mr. Amit Tarachand Shah as an Independent Director of the Company | | |
| 07 | Appointment of Mr. Kavit Jayeshbhai Thakkar a Director of the Company | | |
| 08 | Appointment of Mr. Chirag Vinodchandra Thakkar a Director of the Company | | |
| 09 | Appointment of Mr. Hirenkumar Pravinsinh Rao a Director of the Company | | |

Signed this onday of20.....



FORM A

Format of covering letter of the annual audit report to be filed with the stock exchange

| | | |
|-------|--|--|
| Sr No | NAME OF COMPANY | KAVIT INDUSTRIES LIMITED (Formerly Known as Atreya Petrochem Limited) |
| 1. | Annual financial Statement for the year ended | 31 st March 2014 |
| 2 | Type of Audit Observation | Un-Qualified |
| 3 | Frequency of Observation | Not Applicable |
| 4. | To be signed by <ul style="list-style-type: none">• CEO/ Managing Director• CFO• Auditor of the Company• Audit Committee Chairman | <div>Mr. Jayesh R . Thakkar</div> <div>Mr. Jayesh R Thakkar</div> <div>M/s Sheetal Samriya & Associates</div> <div>Mr.Jigar Motta</div> <div></div> |