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14TH ANNUAL REPORT 2018-19

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KAVITA FABRICS LIMITED



2018 - 19

KAVITA FABRICS LIMITED

105 BALAJI INDUSTRIAL SOCIETY - 1, UDHNA MAGDALLA ROAD, SURAT – 395007, GUJARAT, INDIA

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## 14<sup>th</sup> ANNUAL REPORT OF 2018-2019

### CORPORATE INFORMATION

#### BOARD OF DIRECTORS

Mr. Shailesh Chandak	Chairman and Managing Director & Chief Financial Officer
Mrs. Sarika Shailesh Chandak	Non-Executive Director
Mr. Kishan Kumar Sarda	Non-Executive Independent Director
Mr. Govindlal Meghrajji Saboo	Non-Executive Independent Director

#### KEY MANAGERIAL PERSONNEL

Mr. Shailesh Chandak	Managing Director & Chief Financial Officer
Ms. Nupur Tanmay Gadekar	Company Secretary and Compliance Officer

#### BOARD COMMITTEES

##### AUDIT COMMITTEE

- Mr. Govindlal Meghrajji Saboo - Chairman
- Mr. Kishan Kumar Sarda - Member
- Mr. Shailesh Chandak - Member

##### NOMINATION AND REMUNERATION COMMITTEE

- Mr. Govindlal Meghrajji Saboo - Chairman
- Mr. Kishan Kumar Sarda - Member
- Mrs. Sarika Shailesh Chandak - Member

##### STAKEHOLDERS RELATIONSHIP COMMITTEE

- Mr. Govindlal Meghrajji Saboo - Chairman
- Mr. Kishan Kumar Sarda - Member
- Mrs. Sarika Shailesh Chandak - Member

#### INTERNAL AUDITOR

M/s. Mahesh Bairat & Associates, Chartered Accountants

#### BANKERS

Kotak Mahindra Bank

#### STATUTORY AUDITORS

M/S. R T Jain & Co. LLP Chartered Accountants



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#### **SECRETARIAL AUDITORS**

M/s. R.M. Mimani & Associates, Company Secretaries

#### **REGISTRAR AND TRANSFER AGENT**

**Bigshare Services Private Limited**

E-2 Ansa Industrial Estate,

Sakivihar Road Saki Naka,

Andheri (East), Mumbai –400 072

Tel: +91 – 22 – 4043 0200; Fax: +91 – 22 – 2847 5207

Email: ipo@bigshareonline.com; Website: www.bigshareonline.com

#### **REGISTERED OFFICE AND CONTACT DETAILS AND WEBSITE**

**Kavita Fabrics Limited**

105, Balaji Industrial Society - 1, Udhna Magdalla Road, Surat – 395007, Gujarat, India.

**Tel:** +91 – 261 – 3018759 **Fax:** +91 - 261- 3018759

**Email:** info@kavitafabrics.com,

**Website:** www.kavitafabrics.com

**CIN:** L17110GJ2005PLC046929



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## LETTER TO THE SHAREHOLDERS

Dear Shareholders,

It gives me immense pleasure to present the Annual Report for 2018-19 for **Kavita Fabrics Limited**.

While Your Company is in its 14<sup>th</sup> year of operations, the outlook for 2018-19 is positive. I would like to take this opportunity to thank each and every employee as well as those who work with us across the value chain for their unstinting support and hard work in the service of our Company. I would also like to thank you, our shareholders, for your continued trust in the business and look forward to the same in the next fiscal year.

Best Regards

**Shailesh Chandak**  
**Chairman**

## NOTICE OF 14<sup>th</sup> ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the 14<sup>th</sup> Annual General Meeting of “**KAVITA FABRICS LIMITED**” will be held at the registered office of the Company at 105, Balaji Industrial Society-1, Udhna Magdalla Road, Surat 395007 on September 30, 2019 at 10:00 a.m. to transact the following business:

### **ORDINARY BUSINESS:**

- 1. To receive, consider and adopt the Financial Statements of the Company for the financial year ended March 31, 2019 including audited Balance Sheet as at March 31, 2019 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.**
- 2. To appoint Mrs. Sarika Chandak (holding DIN 06361388) as a director liable to retire by rotation.**

### **SPECIAL BUSINESS:**

- 3. Change in Designation of Mr. Shailesh Chandak as the Managing Director of the Company**

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

**RESOLVED THAT** pursuant to the provisions of Section 196 of the Companies Act, 2013 and the rules made thereunder, consent of the Company be and is hereby accorded for the change of designation of Mr. Shailesh Chandak from Executive Director to Managing Director for a period of five years commencing from 05.09.2019 on such remuneration, terms and conditions as may be recommended by the Compensation Committee of the Board.

**RESOLVED FURTHER THAT** the Board (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

- 4. Re-appointment of Mr. Govindlal Meghrajji Saboo as an Independent Non-Executive Director**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Govindlal Meghrajji Saboo (DIN: 06398313), Independent Non-Executive Director of the Company, who

has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024 and whose office shall not be liable to retire by rotation”.

**RESOLVED FURTHER THAT** any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto”.

## **5. Re-appointment of Mr. Kishan Kumar Sarda as an Independent Non-Executive Director**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Kishan Kumar Sarda (DIN: 06410244), Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024 and whose office shall not be liable to retire by rotation”.

**RESOLVED FURTHER THAT** any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto”.

### **NOTES:**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** Pursuant to Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. If a Proxy is appointed for more than fifty Members, the Proxy shall choose any fifty Members and confirm the same to the Company not later than 48 hours before the commencement of the meeting. In case, the Proxy fails to do so, the first fifty proxies received by the Company shall be considered as valid. The instrument of Proxy, in order to be effective, should be deposited, either in person or through post, at the Registered

Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.

2. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified true copy of the relevant Board of Directors' resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
3. The Register of Members and the Share Transfer books of the Company will remain closed from September 23, 2019 to September 30, 2019 (both days inclusive) for the purpose of the Annual General Meeting.
4. Details as required in Regulation 36(3) of the Listing Regulations, in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting, forms integral part of the notice. The Requisite declarations have been received from the Directors seeking appointment / re-appointment.
5. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository Participant(s). Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company who have registered their e-mail address are also entitled to receive such communication in physical form, upon request.
6. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail address with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration Counter at the AGM.
7. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of Listing Regulations, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means by Central Depository Services (India) Limited (CDSL)
8. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on September 23, 2019, i.e. the date prior to the commencement of book closure, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. Members may cast their votes on electronic voting system from any place other than the venue of the meeting (remote e-voting).
9. The remote e-voting period will commence at 9 a.m. on 27<sup>th</sup> September, 2019 and will end at 5 p.m. on 29<sup>th</sup> September, 2019. In addition, the facility for voting through electronic voting system



shall also be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM.

10. The Company has appointed Mrs. Monika Kothari (M. S. Kothari & Associates) Practicing Chartered Accountant (Membership No. 137777), to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.
11. Notice of the 14<sup>th</sup> Annual General Meeting and the Annual Report for 2019 will also be available on the Company's website [www.kavitafabrics.com](http://www.kavitafabrics.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Surat 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: [info@kavitafabrics.com](mailto:info@kavitafabrics.com)
12. 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 in the employment of the Company and make a Scrutinizer's Report of the votes cast in favors or against, if any, forthwith to the Chairman of the Company.
13. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.kavitafabrics.com](http://www.kavitafabrics.com) immediately after the declaration of result by Chairman of the Company and the same will be communicated to the BSE Limited.
14. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

## **15. VOTING BY ELECTRONIC MEANS**

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins 27<sup>th</sup> September 2019 (9:00 am) and ends on 29<sup>th</sup> September 2019 (5:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23<sup>rd</sup> September 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.

- (v) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first-time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN Field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>a) If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</p>

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.